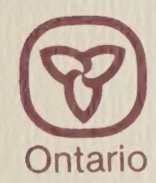

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Municipal Councillor's Manual

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Municipal Councillor's Manual



Ministry of
Municipal Affairs

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January 1986



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The Ministry welcomes suggestions for future editions of the manual. If you have any comments please contact one of the field offices of this Ministry listed in Appendix C.

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INTRODUCTION

The role of a municipal councillor today is increasingly varied and complex. As a councillor you will find yourself pre-occupied with issues affecting your ward or municipality. Even the most seasoned councillor will run across issues and questions which are new. Knowing where to go for information on the rules, regulations, requirements and relationships of the overall governmental system will help you fulfill your role. With this understanding and information you can meet your own and the municipality's goals and objectives, satisfy provincial and federal requirements, and provide better service to the electorate.

This manual is divided into four sections, corresponding to the four major components of your work as a municipal councillor.

Section I deals with the role of the municipal councillor. It is divided into three parts: the representative role, the policy-making role and the managerial role.

Section II provides information on the legislative context of municipal operations. The Canadian Charter of Rights and Freedoms, sources of law, the exercise of municipal powers, enforcement of by-laws and actions against the municipality are covered.

Section III takes a look at the fiscal context. Topics include sources of municipal revenue – tax on real property, transfer payments, other local revenue sources – the need for financial management, the development of a capital financing policy, the municipal auditor and the audit function.

Finally, Section IV looks briefly at the municipality in its constitutional setting, as it interacts with local boards, associations, and the other levels of government.

Should you require more detailed information than is contained in this manual, a handy reference list has been included at the end of each section.

Absent from this manual is reference to municipal land-use planning. Due to the complexity of this particular topic, it has been dealt with separately and at some length in a brochure series entitled *Citizen's Guide to Land-Use Planning*. This 'how to' series published by the Community Planning Division of the Ministry of Municipal Affairs, includes discussions on zoning, subdivision, building permits, the Ontario Municipal Board, Northern Ontario, the Planning Act, official plans and land severances.

The Community Planning Division has also published a companion to these brochures entitled *An Introduction to Community Planning*. This publication deals with the broader context of planning and the rationale behind planning decisions. Additional copies of these publications are available from the Ontario Government Bookstore.

I: THE ROLE OF THE MUNICIPAL COUNCILLOR

THE REPRESENTATIVE ROLE

The primary purpose of this manual is to give you, the councillor, a broad understanding of the many roles you must fulfill. At the same time, the manual acts as a handy reference source, enabling you to quickly locate the basic information needed to meet the challenge of governing at the local level.

After only a few weeks in office, a new councillor may feel that getting elected was the easy part. A new member is likely to feel overwhelmed by the variety of matters demanding attention and the scarcity of time in which to deal with them. To make the most effective use of that limited time, councillors need to have some idea of their duties and what amount of time these duties should claim.

At first glance, the representative role appears to be fairly simple and straightforward. But what does the representative role entail? Probably the first thing to consider is your mandate as a municipal councillor. There are at least two competing viewpoints. One view is that the councillor is elected to *represent,* as directly and accurately as possible, the wishes and views of constituents. Here, the councillor acts as a mirror reflecting what constituents want done with issues before council. In contrast, the other view holds that election to office gives a councillor a mandate to exercise judgment about what is in the best interest of constituents. The councillor must consider many issues and conflicting demands, and it is likely that the councillor will have a much broader knowledge of the matter than the general public. Under the latter view, it may be appropriate to take a position which is not currently popular or desired but which is believed to be in the best interest of the whole community. In practice, there is no single correct approach to the representative role and councillors will most often fall somewhere between the two viewpoints.

A councillor will quickly develop a case load of citizen inquiries which require investigation and, where possible, resolution. This responsibility will not be evenly divided among councillors. Some of you, because of your background and interests will attract these inquiries. If a councillor is effective in resolving these matters and is identified as 'caring' and 'helpful', the councillor can expect increasing public attention. Such inquiries can be screened and redirected to appropriate agencies but most citizens will want the personal attention of the elected representative. Indeed, many of you will feel that this is one of your most important roles.

To deal effectively with inquiries, make yourself aware of existing council policies. You will be frequently approached by individuals who contend that an existing policy is too rigid. Often the arguments are plausible, since the application of a general policy is likely to have an uneven effect as time passes and according to individual circumstances. Although you may want to find some way of helping, caution should be exercised and reference to municipal staff would be wise.

Ultimately, the established policy usually prevails. In such a situation, the councillor may risk losing face with the citizen and straining the working relationship with staff.

Instead of becoming too involved with citizen inquiries, council may want to consider establishing an overall policy to resolve many problems which occur on a continuing basis. This will allow time and thought to be given to long-term planning and the possible future needs of the municipality.

However approachable or sympathetic you are, ultimately you represent constituents by providing services, programs and regulations which are desired or needed. Therefore, the representative role cannot be considered in isolation from the managerial role or the policy-making role.

THE POLICY-MAKING ROLE

The establishment of policies provides guidelines for the operation of the municipality and is another key responsibility of council. Many council decisions are quite routine and are considered part of the ongoing administration of the municipality. Others, however, establish general rules to guide future actions and are considered policy decisions. They can be quite specific, such as a by-law requiring dogs to be kept on leashes in public areas, or they can be broader and more general, such as the approval of an official plan or a capital contribution policy.

How Is Policy Made?

Ideally, municipal policy-making and adoption involve a number of inter-related steps and require council to:

- identify and consider issues requiring attention;
- reach agreement on the facts of the issue and objectives to be met by council;
- identify alternative solutions and analyse them thoroughly and systematically;
- make a decision based on choices available and develop a policy;
- implement through municipal staff who monitor for effectiveness.

In practice, policy-making is less rational and orderly than as set out above for several reasons:

- the increasing change and complexity of issues facing local government and the difficulty in singling out problems which require attention and priority;
- the lack of time to identify all possible alternatives and conduct detailed research and analysis;
- the legal and financial parameters of council;
- the complexity of implementing policies and developing appropriate mechanisms to monitor their administration.

Many policy initiatives come from municipal staff, whose expertise and involvement with the administration of existing policies make them an obvious source of policy suggestion. Very few municipalities, however, have sufficient staff resources to undertake systematic research and analysis. One of the challenges facing all councillors is to broaden and make more rational the policy-making process using existing resources.

THE MANAGERIAL ROLE

Ultimately council is responsible for ensuring that the municipality's financial and personnel resources are used as efficiently as possible and are consistent with the objectives of municipal government.

Council's managerial responsibility is to ensure that:

- policies are implemented as adopted by council;
- services and programs are administered as intended;
- rules and regulations are applied correctly and consistently;
- funds are only expended as authorized and the most efficient use is made of the municipality's resources.

There is a fine line between overall management of a municipality and management of the actual activities. Traditionally, councillors have tended to involve themselves closely in the administrative operations of the municipality.

In smaller municipalities, limited resources may make it necessary for councillors to assist with the workload which is delegated to staff in larger municipalities. If the municipality grows and new staff are hired, council may need to redefine its approach. As an ongoing practice, council should redefine its priorities and provide new strategies for using new and existing staff as dictated by the changes and growth in the municipality.

This redefinition can be done by monitoring municipal activities. However, several pre-conditions are needed before councillors can monitor and measure the municipality's administrative effectiveness and efficiency. Together with input from municipal staff, council should:

- define objectives and set goals;
- establish clear administrative policies;
- provide specific guidelines and directions from council to staff on the application of these policies;
- delegate council responsibilities within the scope of the Municipal Act;
- establish a personnel management policy which emphasizes the recruitment, evaluation, training and development of staff;
- develop standards to measure administrative activities;
- establish a policy and procedure for staff to report to council on administrative activities;
- establish a set of staff performance objectives to serve as a basis for periodic performance evaluations.

By establishing and following such guidelines councillors are freed to handle issues affecting the municipality as a whole. In this way they will be able to:

- become less involved in the day-to-day details;
- provide a framework and guidelines for staff activities;
- establish benchmarks, monitor performance and deal with exceptional situations;
- concentrate on identifying and changing outdated operating procedures;
- develop staff potential and improve morale.

Council-Staff Relations

Many municipalities have recognized the importance of council-staff relations. In some municipalities, council-approved programs have been established requiring employee input on policy and procedures. Such programs recognize the experience and expertise of employees and act as a line of communication from staff to management. Management in turn can provide feedback to council.

Of increasing importance and concern to municipal staff and councils is the need for continuing education. Many councils recognize the performance benefits of continuing education programs in municipal operations and services.

When considering the performance of municipal staff, council should try to identify reasonable expectations and observe the extent to which these expectations are being met. Where performance falls short of expectations, alternative methods of carrying out the work or modifications to duties and responsibilities should be considered.

To assist staff in meeting council expectations, council should:

- provide a comprehensive list of duties and responsibilities;
- have an appreciation of increasing demands on staff;
- be prepared for council meetings;
- apply policies in an objective and consistent manner;
- provide clear policy decisions;
- adopt policies that complement and reinforce staff efforts to improve administrative operations;
- consult with staff before deciding on policies and programs;
- provide orientation for new staff;
- establish a staff training and development policy.

In return staff should do the following:

- provide well-organized agendas, with supporting materials;
- provide sufficient timely information and analysis to facilitate council's decision-making;
- notify council of changes in legislation;
- provide policy advice, including an outline of alternatives, their impact, the cost-benefits in human and financial terms and recommendations;
- notify council of unintended or unexpected impacts.

MUNICIPAL ORGANIZATION

Who's in Charge of What?

It is essential to your role as councillor to know how your municipality provides service delivery and how the staff-councillor and fellow-councillor relationships facilitate effective and efficient administration.

The absence of a party system at the local level does not mean that municipal government is not and cannot be held responsible for its actions. While there is no cabinet or executive charged with the task of providing leadership, developing policy and monitoring the municipal administration of that policy, council has been collectively charged with those responsibilities.

Municipal staff are responsible for implementing policy decisions. For example, municipal staff are responsible for the repairs to sidewalks and street lights. However, if the local inhabitants were unable to get action, they would then turn to council for assistance.

The following pages will describe different ways councillors may organize their municipalities.

Many municipalities operate on a decentralized committee system where the central administrative focus is vested in council. Others employ a centralized system using the chief administrative officer (CAO) to co-ordinate day-to-day operations.

In a decentralized administration, depending on the size of the municipality, each department is distinct, functionally specialized and usually headed by specialists with equal authority. For example, the finance department is headed by an accountant, public works by an engineer, planning by a professional planner. Under this system there may be a tendency to become preoccupied with the needs of a particular service area rather than overall needs. In addition, departments usually work closely with a corresponding provincial ministry. This relationship is strengthened by the provision of provincial financial support for related programs. These factors may work against a cohesive municipal operation.

If you are working in a decentralized system, one notable disadvantage is the custom whereby each department submits its reports separately to council. Council must analyse these reports in the context of the overall operations so that sound decisions can be made. This process is time-consuming and other tasks may suffer.

In many municipalities the clerk or clerk-treasurer often provides leadership at the administrative level in the following ways:

- serving as secretary and resource person to council, committees of council and various local boards;
- becoming the focal point for correspondence flowing between the municipality and the outside world;
- acting as custodian of the minutes and advisor on precedents;
- being the general financial advisor, with responsibility for the overall accounting and financial reporting activities (if also the treasurer).

The clerk-treasurer is in a good position to attempt to exercise administrative leadership. As with the position of head of council, much depends on the personal skills of the individual.

Standing Committees

Some municipalities use standing committees of council, each responsible for major functions of the municipality. The Municipal Act does not expressly authorize council to appoint such committees, nor does it indicate their duties. However, it does recognize their existence by authorization of payments to their members.

The main purpose of these standing committees is to oversee the operations of one or more municipal department as well as to make reports and rec-

ommendations to council on policy matters referred to them. In this way they can provide expertise in the handling of increasingly heavy workloads of council. Rather than all councillors attempting to make themselves experts in all facets of municipal operations, each councillor is appointed to a maximum of, say, two standing committees and concentrates on the areas of particular concern to those committees. This process considerably reduces discussion at council meetings allowing council to receive reports and make decisions quickly.

A standing committee system also facilitates public input into council decisions. Handling citizen delegations at the committee level provides a less threatening atmosphere for citizens and allows more time for agenda items at council meetings.

However, the system does have its disadvantages. Councillors may become too involved in matters which are essentially staff responsibilities. Also, many municipalities may have too many standing committees superimposed over departmental structures which evolved over the years as the municipality assumed additional responsibilities.

An increasing number of issues on the municipal agenda have very wide-ranging implications across traditional departmental and standing committee structures. Consideration of these issues may involve referrals to a number of standing committees. For this reason, many municipalities consolidate their committees into two or three, covering 'hard services' such as roads, water and sewage services and 'soft services' such as social services and libraries. This change usually brings a shift in focus to policy advisory responsibilities only.

Committee of the Whole

A variation of the committee system employs what is called a Committee of the Whole. Under this system there are no standing committees. Instead council meets as a Committee of the Whole with one of the councillors usually assuming the chair instead of the Head of Council. Because there are no standing committees, councillors take on specific areas of responsibility (e.g., public works, finance). The advantages of this system are:

- discussions are facilitated and delegations are handled more informally;
- deliberations can be ratified at the regular council meetings;
- council can handle an increasing workload without having to establish a number of standing committees.

Board of Control

Under the terms of Section 67 of the Municipal Act, cities with populations of 100,000 or more must have a Board of Control unless a by-law to the contrary is passed by a two-thirds majority of council. Cities and towns with populations between 45,000 and 100,000 may also have a Board of Control if they meet the requirements of the Act.

In practice, very few municipalities in Ontario have Boards of Control as most councils have exercised the opting-out provision referred to above.

Administrative Officer Systems

The Clerk-Administrator

Municipalities seeking some form of formal administrative co-ordination often enlarge the responsibilities of the clerk using the new title of clerk-administrator or clerk-comptroller. Typically, this position is responsible for co-ordination with the finance and personnel departments reporting to council through the clerk.

The Manager/CAO

The council-manager system originated in the United States at the turn of the century. Under this system, council delegates administrative responsibility for the municipality to a professional administrator, the manager, who directs and co-ordinates the activities of all municipal departments. This structure attempts a complete separation of policy-making from policy implementation, with council concentrating on policy and delegating implementation to the manager.

In 1972 the Municipal Act was amended to provide council with the authority to appoint a chief administrative officer, who carries out the same general functions as the manager referred to above.

COUNCIL PROCEDURES AND PRACTICES

How council meetings are conducted and how effective they are depends on the established rules of procedure and the personalities involved. Due to increased workloads of more complex business matters and more citizens and delegations seeking some action from their municipal representatives, councils may find themselves meeting until after midnight. To make the best possible use of time spent, it is helpful to prepare backup information to agenda items.

Use of Procedural By-laws

Increasingly, municipalities are using procedural by-laws to govern the workings of council. By-laws can provide minimum protection for all councillors to enjoy the right to debate matters before them. Moreover, they help to ensure that matters are treated with consistency and that everyone involved in a council meeting is aware of the ground rules. Where such a procedural by-law exists, it serves as a useful introduction for new councillors.

Initially, a simplified by-law confined to the main points of procedure which usually give rise to differences of opinion or interpretation in the conduct of council business may be appropriate. This by-law would cover items such as:

- meetings
- arrangements in the absence of head of council
- quorum
- curfew
- duties of presiding officer at meeting
- agenda
- minutes
- petitions and delegations

- handling of by-laws
- motions
- rules of debate
- conduct of members of council
- suspension of rules of procedure
- reconsideration of past decisions

The simpler the by-law, the easier for new councillors to become familiar with its provisions and applications. (For an example of procedural by-laws, see Ministry of Treasury, Economics and Intergovernmental Affairs, Procedure By-Law, Bulletin No. 11, July 1978).

A council's non-observance of its procedural by-law does not invalidate its action. In any event, the by-law normally contains a provision for council to suspend any of the requirements of the by-law. Finally, any situation which is not covered by the rules is normally dealt with under the long-established rules of parliamentary procedure.

Council Agendas

While the rules of procedure and the effectiveness of the chairman influence the flow of discussions, the substance of these discussions is determined by the agenda. Most municipalities operate with some form of agenda itemizing issues to be dealt with at council meetings. A typical agenda might include:

- disclosure of interest (i.e. potential conflict of interest)
- minutes of the previous meeting
- deputations
- correspondence
- reports of municipal officers
- reports of committees
- petitions
- unfinished business
- by-laws
- motions and notices of motions
- adjournment

Much depends on how the agenda is set and what supporting materials accompany it. Here again, practices vary a great deal. In some instances, especially in smaller municipalities, matters may be added to the agenda rather informally as they arise, even during the course of the meeting. The agenda in this case is at best a general guideline. In other instances, especially in some larger municipalities, there are very strict requirements. Delegations do not appear on the agenda unless notification is given a stipulated number of days in advance. Other agenda items first appear as a notice of motion at the previous council meeting. Such an approach is more structured and rigid.

In some municipalities the agenda is largely determined by the head of council; in others the clerk-treasurer may have the largest say. In still others, the agenda may be strongly influenced by the flow of reports and recommendations from the various standing committees of council. Probably the most common approach is for the agenda to be prepared by the clerk's office using such considerations as:

- business arising from previous meetings;
- referrals from the head of council or council;
- reports from council committees;
- delegations or citizens seeking an audience with council;
- correspondence or other items deemed to require council's attention.

Correspondence

In some municipalities all correspondence, no matter how routine, is brought to council for discussion and action. In these instances, there may be an agenda heading entitled correspondence, or there may be a list of the items involved. In other municipalities, a distinction is drawn between items of correspondence requiring council's attention and those which are presented for information only, and the agenda would normally reflect this distinction. Important correspondence is appended to the agenda and copies distributed to each councillor.

Another variation is to have agendas include a brief summary of the correspondence with copies of actual documents available at the meeting. A further refinement on some agendas includes a cross-referencing in cases where correspondence also relates to other matters on the agenda such as committee or staff reports.

The responsibility for ensuring the information provided is correct is usually delegated to the administrative officer, clerk or clerk-treasurer. This delegation may require that staff anticipate councillors' information needs, provide background and research data and possibly recommendations or alternative options for council's consideration.

Report Format

The use of a standard reporting format is beneficial in all municipalities. Reports to council should be organized and contain information such as:

- topic description
- background and origin
- analysis – details of issue
- existing policy
- alternatives
- financial considerations
- recommendations

Documenting and Implementing Decisions/Minute Keeping

Ultimately council's deliberations lead to decisions. The minutes of the meeting constitute the official record – the municipal version of Hansard, the record of parliamentary debates. In contrast to Hansard, most municipal minutes are brief summaries. The Municipal Act, section 77(1)(a) stipulates that one of the clerk's duties is "...to truly record in a book, without note or comment, all resolutions, decisions and other proceedings of the council." As a result, minutes contain a list of motions and their dispositions, with few references to other matters discussed.

For information purposes, it is suggested that a separate record, setting out any follow-up arising from a meeting and who is responsible, might also be of value. Once responsibilities are assigned, council should monitor and ensure that action is taken. Council may also wish to record the nature of the discussion without identifying particular councillors. This provides a more complete record should it be necessary to review council action several years later.

The most significant decisions made by council are those which result in the passing of legislation governing the municipality. In these instances, it is particularly important that council give careful consideration to all of the implications of the decision and that it follow through to ensure that the decision is being implemented and the by-law administered.

In addition, it is equally beneficial to maintain minutes of committee meetings for the same general reasons. Even though decisions of committee meetings are not official until approved by council, maintaining minutes is important for future reference and guidance.

DEALING WITH THE PUBLIC

Public involvement is fundamental to local government. The benefits of local government are that it is closest to the people, most aware of their needs and concerns, and most sensitive and responsive to public opinion. For these benefits to be realized, it is important that the opportunity exists for extensive public involvement in municipal operations.

Apart from this general, philosophical statement, there are a number of practical reasons to involve the public. When involved, the public becomes better informed about the process, issues and complexity of local government, recognizes the contributions of elected and appointed officials, sees the values and rewards of participation and may turn out in larger numbers at the polls.

Types of Public Involvement

A member of the public can become involved in the operations of local government in at least the following five ways:

- by serving as a volunteer;
- by serving as a citizen appointee to a local committee or board;
- by voting in local elections;
- as a candidate for local office;
- by taking an active interest in ongoing local government activities either as a citizen or member of a citizen group.

Volunteers in Local Government

Volunteers represent a very valuable source of additional manpower for local governments. For volunteers to be effective, just as with staff, the municipality should plan for their use. Consider the following:

- Before volunteers are recruited, give careful consideration to jobs to be performed by them and what satisfaction they can expect.

- New volunteers need to be oriented to the municipality, its goals, structure, methods of work, philosophy and future plans. They should receive information about ongoing activities and be involved in regular reviews of the municipal organization.
- Supervision of volunteers is crucial to their effectiveness. This will provide them with feedback and information on what future opportunities may exist. Achievements should be recognized and potential developed. Supervisors should be skilled in performance appraisal. Measurable objectives and comprehensive job descriptions should be used.

The Citizen as Appointee

Due to widespread use of special purpose boards and commissions in Ontario, a large number of citizens are involved in local government as appointees to these bodies. A limited number are also involved as citizen appointees to committees of council. In addition to helping councillors handle heavy workloads, many of them are specialists in certain areas. How are these specialists selected?

Advertising in local newspapers for volunteers is one recruitment method. Using this process, councillors can select candidates based on biographical information. The traditional word-of-mouth process where individuals are selected based on reputation is also used to select volunteers. In addition, former municipal councillors may be selected due to their familiarity and understanding of local government operations.

Handling Delegations

In many small municipalities, there is no limitation on public participation and citizens can arrive at any point during a council meeting with the assurance that they will be invited to address council at the earliest opportunity. In contrast, in some large municipalities there is no provision for citizen contact with full council, and delegates are referred to the appropriate standing committee. Most municipalities stipulate specific requirements covering the extent of prior notification, the limit on number of speakers and the length of speeches. Setting out procedures for handling delegations in a procedural bylaw does two things – council business is assured of proceeding in an orderly manner, and citizens are assured of having their say.

Another variation is to stipulate that any delegation which has not given prior notice and been placed on the agenda can be heard at the end of the meeting, unless a specified adjournment time has been reached. While local citizens are not required to give advance notice, it is reasonable to assume that most will do so rather than sit through an entire council meeting before being heard. Council has the added choice of suspending its adjournment rule (usually by a two-thirds vote) if it feels that a particular delegation should be heard beyond the normal deadline.

Many residents attend council meetings not as delegations, but merely out of interest in the municipality. In this regard, meetings should be set up to facilitate public understanding and involvement. Space may be a key factor and council meetings should be as accommodating as possible for those who may

attend. Extra copies of the agenda and a brief background statement of each item should be provided.

Handling Complaints

Complaints represent a special type of public involvement. They may be warning signals of possible problems with the municipality's programs or services. If ignored, the situation may worsen. If handled effectively, the complainant may develop a more positive attitude toward the municipality.

Diplomacy, tact and objectivity are important when the complaint is being received, particularly if the citizen is not in very good humour at the time. A written record of each complaint can be used for follow-up, identifying patterns in the number of complaints about particular programs or services by a particular neighbourhood. Standard procedures should be developed and applied consistently. Whatever the finding, a brief report should be made and the complainant notified as promptly as possible.

Improving the Municipality's Public Image

How are citizens encouraged to take an interest in local government, vote regularly, attend meetings even occasionally, follow issues in the local media, and become actively involved in the resolution of local issues?

Citizens will develop a positive attitude towards the municipality if they are made aware of its achievements. Traditionally the main source of information about the municipality's activities were the minutes of council meetings and the annual audited financial statements.

Other communication techniques can be used. It is useful to identify the various publics served when developing new methods of communications. They include business groups, cultural or ethnic groups, homeowners, labour unions, professional groups or associations, senior citizens, tenant associations and sport groups. These categories often overlap, as most people will belong to several. Once identified, a municipality can use different reporting media and methods. These include:

- printed reports and newsletters
- public addresses
- exhibits and tours
- radio and television coverage
- press coverage

Factors that have an impact on the municipality's image range from the adoption of specific policies by council, such as a zoning by-law, to the effectiveness of the municipal administrative procedures and methods of operation. It is therefore important to review all points of contact with the public.

In most municipalities, it is the staff, not councillors, who have more frequent contact with the public. The larger the municipality, the more line staff will have public contact. On a day-to-day basis it is the by-law enforcement officer, the switchboard operator, the clerk in the tax department, or the groundskeeper for the parks department who have the greatest influence on the municipality's public image.

Staff who receive frequent public queries, whether by telephone or across a counter, need to be well informed about the municipality and its operations so that they can give prompt, thorough answers. Vague responses or referrals to other departments give the citizen the impression of being given the run-around. A fact sheet might be used when dealing with frequently asked questions.

DEALING WITH THE MEDIA

At times some municipal councils' relations with the media are strained or unsatisfactory. The political activities of local, provincial and federal governments often compete for media coverage. Municipalities can improve media coverage by establishing a well-thought-out communications policy. In particular:

- Know what is newsworthy. Many local government activities will not be perceived as newsworthy by the media. Point out why particular items deserve coverage.
- Be aware of timing when releasing a news story. Become familiar with deadlines faced by reporters. Hold briefings with sufficient time for reporters to assess the information before preparing their stories.
- Give the reporters some credit for intelligence. Explain why you cannot answer a certain question. Educate the media about the issues and about municipal operations.
- Fit the release to the media.
- Put the local media on the mailing list for your newsletters.
- Do not play favourites. Include all the media when releasing news items.
- Establish a policy on news releases.
- Think before you yell. It is almost impossible to win a dispute with the media. Letting the matter die quietly is often the best response.

In larger municipalities, the establishment of a formal public relations office might facilitate media relations. However, if this is not feasible, many of the services provided by such an office will be carried out less formally. It may be sufficient to identify where these services are currently being handled in the municipality. This review may prompt an extension of public relations activities even if there is no formal office established.

News Releases

Regardless of the size of the municipality, having concern for council-media relations is important. Members of the press can be helpful or less helpful. It is up to you to try and influence what status they will have with your municipality. Keeping them informed rules out unfounded speculation and unwarranted criticism. One way of doing this is through news releases. A news release policy could include the following:

- provide background material consisting of the same information on which council will make its decision;
- inform the press about all meetings;
- inform the press about what is happening between decisions so that they understand why and how decisions are made;

- establish a working relationship with members of the press;
- exercise judgment and discretion in the comments you make;
- provide an explanation for closing a meeting.

CONFLICT OF INTEREST

The Ministry of Municipal Affairs' bulletin entitled *The Municipal Conflict of Interest Act, 1983* summarizes the Act thoroughly. The following are extracts from that bulletin.

- Each member of council must determine his/her obligations under the Act.
- If a member thinks he/she has a pecuniary interest in a matter being considered by council or the local board, he/she must also determine if it is a direct or indirect pecuniary interest. If your family or business associates (as defined in the legislation) possibly stand to gain or lose anything from the consideration of this matter which could be measured in money, then pecuniary interest exists.
- If the member determines that there is a pecuniary interest, the member should refer to section 4 to determine whether the interest is one that is *excepted* by the legislation.
- If the member has any doubts about whether there is a pecuniary interest and whether it can be excepted, the member would be wise to seek legal advice from a personal solicitor.
- If the member's interest cannot be excepted under section 4 the declaration of interest must be made as follows:

    1. disclose the interest and its general nature at the meeting prior to any discussion on the matter taking place;
    2. refrain from taking part in the discussion of the matter;
    3. make no attempt to influence the voting at any time before, during or after the meeting; and
    4. refrain from voting on the matter.
- If the matter in which the member has a pecuniary interest is discussed at a meeting closed to the public, the member must declare the interest as outlined above and also leave the meeting, or that portion of the meeting dealing with the matter.
- If the matter in which the member has a pecuniary interest is discussed at a meeting the member has not attended, it is the member's duty to declare the interest in the appropriate manner at the first meeting attended afterward.

Only a court can determine if a contravention of the Act has taken place. If there is a possible pecuniary interest, readers are advised to refer directly to the legislation, and where appropriate, obtain legal advice.

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II: COUNCILLORS AS LAW MAKERS

INTRODUCTION

Perhaps the most pronounced way councillors can "leave their mark" on a municipality is through their legislative record. The kind of community in which we live is largely dependent upon the policies established by council, the programs and services provided, and the regulations imposed – on everything from noise control to the licensing of business operations.

Most new councillors are conscious of this role, and may have run for office partly out of a desire to provide some new service or to improve an existing one. They may want to legislate for community betterment or to reduce government controls in the name of greater freedom for the individual. Whatever their initial inclinations, however, being aware of various legal limitations on municipal powers is important.

LEGAL CONSTRAINTS ON EXERCISING POWER

The most fundamental limitation arises from the subordinate constitutional position of local government. Under the British North America Act of 1867 (now renamed the Constitution Act, 1982), the local level of government is not given specific responsibilities or a guaranteed right to exist. Instead, the constitution stipulates that provincial governments have the right to pass laws respecting the creation and existence of municipal government. Because they are provincial creations, municipalities may only do what they have been authorized to do by the provincial government. A number of consequences follow from this:

- A provincial government can confer on a municipality only those powers which it can exercise itself within the division of federal and provincial powers under the Canadian constitution.
- A municipal by-law cannot override a provincial statute and, indeed, a by-law which was valid when passed may become invalid with the subsequent enactment of an overriding provincial statute.
- A municipal by-law cannot encroach on matters within the jurisdiction of the federal government.

If a municipality takes action for which it does not have legal authority, or exceeds the limits of its authority, then should the courts be invoked, they will quash the action as being *ultra vires* (that is, beyond the powers) of the municipality. Moreover, if councillors knowingly take action without legal authority they may subsequently be personally liable for these actions.

Canadian Charter of Rights and Freedoms

There is a further constitutional limitation on local government, the impact of which is not yet fully apparent. Part 1 of the Constitution Act, 1982 contains the Canadian Charter of Rights and Freedoms. The provisions of the Charter impose limits on all levels of government, including municipalities, in the passing of by-laws and the taking of other action. While it is too early to comment on specific limitations, it is clear that the Charter applies to municipalities.

SOURCES OF LAW

From what has been already stated, it is advisable for councillors to make every reasonable effort to be certain of the legal authorization for any action which they propose to undertake. This means attempting to keep abreast of the ever-changing body of law affecting municipal activity. Yet municipal councillors are not expected to be the main source of legal expertise. Nor is the clerk or clerk-treasurer, although that individual is often called upon as a general source of legal advice. Due to the complexity of law, the municipal solicitor should be consulted whenever any legal question is in doubt. At the same time, however, it is useful for councillors to have at least a general familiarity with the sources of municipal law if only to be able to converse better with their staff and solicitor.

Statute Law

General Acts

The most important source of law affecting a municipality is to be found in the statutes or acts enacted by the provincial legislature. In Ontario, the most significant is the Municipal Act, through which the provincial government attempts to provide for the general needs of all non-regional municipalities.

There are also a number of other statutes which relate to all municipalities but are concerned with specific activities. Examples would include the Planning Act, 1983, and the Line Fences Act.

Acts Specific to an Individual Municipality

A number of the major, restructured municipalities have their own special acts which deal with their needs in the same way that the Municipal Act relates to the other classifications of municipality. The various regional acts, such as the Regional Municipality of Ottawa-Carleton Act and the Municipality of Metropolitan Toronto Act, fall into this category.

Private Acts

A number of private acts have been passed in relation to specific municipalities. These acts are not part of the provincial government's legislative program. Instead, they are normally introduced and sponsored by Provincial Members of Parliament in whose constituency the municipality is located, and are intended to authorize the municipality to undertake some action not provided for in general legislation. In effect, these private acts allow for some flexibility in the way particular municipalities deal with issues.

Federal Statutes

It should also be noted that, notwithstanding the constitutional division of powers, there are also a limited number of federal statutes – for example, the Canada Mortgage and Housing Corporation Act – which have implications for municipal activities.

A list of sources for existing provincial statute law is included in the list of references at the end of this section. To stay abreast of new legislation, councillors should contact the clerk, who receives the first reading municipal bills

which are sent to all municipalities by the Ministry of Municipal Affairs with requests for comments from councils and staff. In addition, the Ministry annually publishes a bulletin entitled *Summary of Legislation,* which summarizes Public Acts or parts thereof which are of interest to municipalities. This publication is a companion to the Ministry's *Legislation for Ontario Municipalities* publication.

Administrative Law

Administrative law includes adjudication by boards and tribunals and the interpretation and exercise of powers delegated by legislation to bodies other than provincial parliament.

Boards and Tribunals.

Boards and tribunals are part of the executive branch of government, but they are empowered by statute to exercise decision-making authority of a type traditionally vested in the courts. The Ontario Municipal Board, for example, acts in a quasi-judicial capacity when it holds hearings concerning such matters as long term borrowing, planning, and annexations or amalgamations. Other bodies of this nature with which municipalities may have dealings include the Ontario Labour Relations Board, the Worker's Compensation Board, the Assessment Review Board and the Conservation Review Board (which deals with the designation of historic districts within a municipality).

Decisions of these boards constitute a form of administrative case law which can be quite significant for municipal operations.

Delegated Legislation – Regulations & Minister's Orders

Because of the volume and complexity of activities now being undertaken by governments, the Legislature often lacks the time and technical knowledge appropriate to enact a law in all of the detail which would be required. Moreover, if legislation is being extended into some new area of government activity, there is often a desire to ensure sufficient flexibility to adapt the law to rapidly changing circumstances. In response, it has become commonplace to enact statutes which are quite general in nature and which authorize some body in the executive branch of the provincial government (it could be the Cabinet, a particular minister, or a provincial board especially created for the purpose) to elaborate the law in detail over time as the need arises.

Included in this category, for example, are a number of important forms such as the election forms developed under the provisions of the Municipal Elections Act. The regulations setting out the building standards of the Ontario Building Code and those governing housing programs such as the Ontario Home Renewal Program (O.H.R.P.) also fall within this category.

Case Law

Even if a municipality is aware of all pertinent statutes affecting its operations and all relevant administrative law, it may have a far from complete picture of its legal position. The actual meaning and scope of these laws may

have been significantly affected as a result of various court decisions over the years, and this "judge-made law" or case law must also be taken into account.

It must be emphasized, however, that laymen should not attempt to apply case law. Interpretation of the significance and possible applications of court decisions should be left to a person trained in law. This body of law is almost constantly being refined and modified by court decisions. Reliance, therefore, on a particular case could be quite erroneous.

EXERCISING MUNICIPAL POWERS

There are a number of conditions which must be observed in the exercise of municipal powers. It is difficult to determine the best order in which to describe these conditions, but it is hoped that the outline which follows will be seen as having a logical sequence.

- We begin by examining a number of matters relating to the calling and general conduct of meetings.
- The municipal corporation exercises its powers through by-law or resolution, and these two actions are compared in the next section.
- Procedural requirements and "necessary conditions" are then examined.
- Assuming that the municipality has proceeded to the point of enacting a valid by-law, it is necessary to consider the administration and enforcement of this by-law.

Meetings

The affairs of the municipal corporation are transacted at council meetings and from this follows a number of important implications, as briefly outlined below.

1. Powers of the Corporation

   The powers of the corporation must be exercised at a meeting validly called and constituted. Even if all councillors agree individually and separately with a certain course of action, this unanimous position is not valid and cannot bind the corporation unless expressed at a meeting of council.

   Such meetings can be classified as regular (ordinary) and special. The number and the timing of regular meetings is at the discretion of the council except that the date by which the first meeting must take place is set by statute. By their nature, these meetings are usually held at regular intervals and at designated locations. The timing and number of meetings may be specified in the procedural by-law of the municipality.

   Special meetings, as their name implies, are called to deal with particular, urgent matters which may arise from time to time. They must be called if requested by a petition to the clerk from a majority of the councillors. A number of municipalities require in their procedural by-laws that at least a stated minimum amount of time must elapse between the sending of the notice and the time for holding a special meeting, and also require that the notice contain a statement of the purpose of the meeting.

2. Public Business is the Public's Business

In support of this concept, the statutes make certain provisions concerning the conduct of meetings and the right of the public to attend them. Specifically, section 55 of the Municipal Act stipulates that:

- The meetings, except meetings of a committee of the whole, of every council and of every local board as defined by the Municipal Affairs Act, except boards of commissioners of police and school boards, shall be open to the public and no person shall be excluded therefrom except for improper conduct.
- The head or another presiding officer may expel or exclude from any meeting any person who has been guilty of improper conduct at the meeting.

Special meetings of council may be either open or closed as the public interest dictates, but this decision is made by the council – not the head of council or any other individual member – and the decision must be expressed by resolution in writing. Since the public interest can only be determined in relation to each special meeting as it arises, any resolution or by-law which declared all special meetings to be closed would presumably be invalid.

3. Hearings

Some special (or regular) meetings (for example, a meeting concerning the dismissal of an officer), may be considered a "hearing" within the meaning of the Statutory Powers Procedure Act, 1971. In such instances, the legislation imposes the following minimum rules for proceedings – rules which take precedence over the normal arrangements or the provisions which may be found in the municipality's procedural by-law:

- All proceedings are to be held in public unless otherwise ordered for reasons of public security or to protect confidentiality.
- All parties are entitled to proper notice, and are entitled to attend any hearing to submit evidence and answer arguments.
- A record of the proceedings, including any documents by which the proceedings were commenced, notice of any hearing, documentary evidence, a transcript, if any, of oral evidence, the decision, and reasons for the decision, where reasons have been given, is to be compiled.

The Ministry of Municipal Affair's bulletin, *The Statutory Powers Procedure Act, 1971* reviews this legislation and outlines its impact on municipal councils and staff.

4. Committee of the Whole

The committee of the whole consists of the full council, with one of the councillors usually assuming the chair in place of the head of council. At the local level, committee of the whole has been primarily used as a procedural device for obtaining an *in camera* discussion. Whatever the purpose, it must be borne in mind that no corporate business may be transacted in committee of the whole. Matters can be discussed and voted upon in committee, but they must be reported back to the council for consideration and possible action.

5. Quorum

A quorum is necessary to transact council business. A quorum, as defined by the Municipal Act, section 56, is a majority of the full council membership. In addition:

- If a seat is vacant because of death or resignation, the quorum is still calculated on the basis of the full membership provided in law.
- If a council cannot make up a quorum for a period of two months or more, the Minister may declare all of the members' seats vacant and require an election.
- Where a council consists of only five members, the concurrent votes of at least three of them are necessary to carry any resolution or other measure.
- Members who are ineligible to vote because of a conflict of interest cannot be counted when determining whether or not the quorum has been met. Where there are insufficient numbers as a result, the Municipal Conflict of Interest Act, 1983 provides for the remaining members, if there are at least two, to constitute a quorum.

By-laws and Resolutions

The powers of the municipal corporation are exercised by either by-law or resolution. The former is the primary form of action and the Municipal Act requires that, except where otherwise provided, the powers of the council shall be exercised by by-law.

As set down in provincial requirements, all by-laws must be:

- signed by the head of council or presiding officer of the meeting at which the by-law was passed, and by the clerk; and
- under the seal of the corporation.

There may also be special requirements which have to be met before a by-law is passed, such as the approval of the electors, the approval of a provincial ministry or board, public notice by advertising, or the sending of individual notices to any persons affected.

(For an outline of the general format of a by-law, refer to Ministry of Municipal Affairs and Housing Bulletin 7, *Drafting Municipal By-Laws.)*

Many council decisions are also expressed in the form of a resolution, which is simply an expression of the decision or wishes of council which has been submitted in the form of a motion and been adopted by majority vote. The formalities leading up to the passage of a resolution are not as strict as those relating to a by-law. Resolutions usually deal with the "smaller acts of administration" and matters of internal management within the municipality. They are also frequently used to place on record council's view on some matter. Many such resolutions relate to municipal concerns with existing provincial regulations and controls or with desired changes in the provincial-local relationship, and after passage are forwarded to the appropriate provincial authority.

Generally, the powers of the council are exercised by by-law in more important matters and where the action to be taken will affect the general public. Where there is doubt, however, passing a by-law is always the safest approach since court decisions have on occasion invalidated council actions which were expressed only by resolution. In addition, it is likely that a resolution would not be enforceable beyond the term of the council adopting it. The courts have held that where the action to be performed is a legislative act, a by-law is necessary, but where the action involves discharging a statutory responsibility and a by-law is not specified, then a resolution may be sufficient. Because of the uncertainties involved, some councils pass a confirming by-law at the end of the meeting, confirming all of the actions taken at the meeting.

Procedural Requirements

The municipal council must ensure that it follows proper procedures and is consistent in enacting or amending by-laws. The council must be in session, and there must be a quorum in attendance and voting. The meeting must be either a regular meeting of council (or a reconvened regular meeting that had been properly adjourned to a specific time) or a special meeting that, when called, cited the consideration and passing or amending of the by-law as one of its purposes. No by-law may be passed or amended in committee of the whole.

A person who has a conflict of interest should not discuss or vote on a by-law or resolution and, if the presiding officer has a conflict, the chair should be relinquished to an acting presiding officer for purposes of debate and voting. The Municipal Conflict of Interest Act, 1983 does permit the quorum to be reduced from its usual number in certain instances (see section 7(1) of that Act).

While there is nothing to prevent a by-law being passed on the day it is presented to council, council should observe proper and usual procedures in introducing such a by-law. If the municipality's customary procedures or its procedure by-law require advance notice of the introduction of a by-law, that notice should be given in each instance. Naturally, some by-laws cannot be passed at one sitting because of statutory restrictions and these are presented for approval "in principle" only. Among the latter would be drainage by-laws and construction/debenture by-laws.

Limits on Council Decisions

Largely through court decisions, it has been determined that council actions must meet a number of conditions as briefly outlined below:

<u>Good Faith</u>

The action of council must not be based on fraud, oppression or improper motive. While such a restriction seems sensible, the question of what constitutes a proper motive may be unclear, and is a matter of court interpretation.

Public Interest

When a municipal power is exercised only to serve the interest of private persons, the action would normally be quashed by the courts. It is the council, however, which determines what is in the public interest. Moreover, if council, in its pursuit of the public interest, takes an action which benefits a private person, it need not follow that the action is not in the public interest.

Reasonableness

Under the Municipal Act, a by-law passed by council within its powers and in good faith is not open to question by the courts because of any supposed unreasonableness of its provisions. The courts, however, have held that unreasonableness might be evidence of bad faith, and in this matter have justified their continued review of questions of reasonableness. In addition, under the Canadian Charter of Rights and Freedoms, a by-law may be subject to review and attack for unreasonableness.

Impartiality

Some council actions necessarily involve aspects of discrimination in that they are selective in application. The court response is that there must be a reasonable basis for any discrimination and that treatment must be impartial within the same classification. For example, council may discriminate by allowing certain classes of shops to remain open and requiring all others to be closed. On the other hand, council cannot limit the number of service stations in one or some parts of the municipality, but may limit the number in the whole municipality.

There are some situations in which the council is authorized by statute to discriminate, such as with respect to the power to give or to withhold a licence. While the Municipal Act expressly states that council's action in the matter is not open to question or review by the courts, the courts have declared that council, in exercising its discretionary power with respect to licences, may only take into consideration "relevant factors" as determined by the courts. As noted above, the equality rights provision of the Canadian Charter of Rights and Freedoms now entrenched in our constitution may be used in court challenges of any apparently discriminatory activities by a municipality.

Delegation

The final limitation on the exercise of power relates to the extent to which delegation can occur. The Municipal Act, section 9, states that the powers of a municipal corporation shall be exercised by its council. This provision has been widely interpreted as virtually prohibiting the delegation of council's authority. In practice, however, the courts have differentiated between a municipality's legislative and administrative functions. While the former cannot be delegated according to the courts (unless explicitly permitted by statute, as, for example, the granting of minor variances from zoning by-laws can be delegated to a Committee of Adjustment under the Planning Act, 1983), the latter can be delegated in the absence of any statutory provisions to the contrary.

Enforcement of By-laws

Given all of the legal complexities outlined above, it would be understandable for councillors, upon enacting a by-law, to breathe a sigh of relief that the task is finally completed. Not so! All the effort will have been for nothing, unless the municipality has the determination and the means to enforce the by-law in question. Indeed, it is suggested that well before a by-law is passed, councillors should give careful consideration to the implications of adoption.

- What will be the impact of this by-law on the local community?
- Will it impose restrictions or hardships on particular areas or groups of people, and how will council deal with the public reaction?
- What cost will be involved in administering this by-law? Can existing staff reasonably be expected to absorb the additional responsibilities, or will more staff be required?
- Is council prepared to enforce the by-law and to enforce it consistently?

General Responsibility for Enforcement

1. Actions initiated by citizens
   In this first stage, a municipality may enact a by-law without any intention of providing municipal staff for its enforcement. The assumption is that if a ratepayer wants the by-law enforced the ratepayer will bring the alleged offender before the courts. To do so, the ratepayer appears before a justice of the peace or provincial judge and "lays an information". (An "information" is a sworn document setting out the particulars of the offence.)

2. Action by citizens and police
   Particularly as municipalities grow and old community ties weaken, by-laws may be broken more often and citizens may be less willing to bear the expense of enforcing compliance. Typically, councils respond to local pressure by calling upon the local police force to follow up on the complaints. It is clearly stated in the Police Act that the police are required to enforce municipal by-laws. However, the responsibilities of the police are extensive and council may wish to investigate other methods of enforcement.

3. Action by citizens and enforcement personnel
   Ultimately, council may decide to hire by-law enforcement personnel, an action which assures it of an effective liaison with, and control of, the by-law enforcement operation. At this stage, council must decide whether by-law enforcement personnel will act only on complaint or will actively look for infractions. In either case, the municipality will benefit from by-law enforcement officers capable of exercising diplomacy, tact and negotiating skills, as 95 per cent of all complaints are settled out of court.

Prosecutions

Prosecutions for most by-law infringements are governed by the Provincial Offences Act. Under the Act, offences carry a maximum fine of $2,000 except where otherwise provided by law.

Simplified procedures under Part I of the Act allow the municipal by-law enforcement officer (now designated as a provincial offences officer) to issue a ticket where set fines and abbreviated wordings have been established. The wording must comply with the provisions of section 26 of the Act, and the fines must be approved by the Chief Judge of the provincial court. Where Part 1 proceedings are utilized, the maximum fine is $300, and no term of imprisonment may be imposed. Where there are no set fines, a summons may be issued on the spot. The defendant can plead guilty and pay in advance, or plead guilty and appear before a Justice of the Peace with an explanation, or plead not guilty and have a trial.

Major offences are generally prosecuted under Part III of the Act. A court appearance is mandatory and other remedies may be used by the courts. Parking offences are covered in Part II of the Provincial Offences Act, which is currently being phased in. During the phasing-in period parking offences are still covered by the Summary Convictions Act.

Penalties

Municipal councils and boards of police commissioners in Ontario are authorized by the Municipal Act, section 321, to enact a by-law imposing fines of not more than $2,000 on any person who is convicted of an offence under any of the by-laws of the municipality.

Other specific provisions set out different ceilings. For example, in the case of by-laws licensing and regulating body-rub parlours and adult entertainment parlours, the maximum fine is $10,000 for an individual and $50,000 for a corporation. Each of the municipality's by-laws normally provides the maximum fine for its violation.

Restraining Actions

Under section 327 of the Municipal Act, the municipality or a ratepayer may take action to restrain contraventions of by-laws of the municipality. An injunction is granted at the discretion of the courts but is only rarely given. A typical situation would be an injunction sought to restrain breaches of zoning by-laws where a fine was insufficient to deter the person.

Section 326 of the Municipal Act allows a provincial court judge, upon convicting a person of a by-law offence, to also make an order prohibiting the person from continuing or repeating the offence. A person contravening such an order could be subject to contempt proceedings or a charge under the Criminal Code and could be sent to prison. Similar provisions for prohibition orders are found in the Planning Act, 1983, section 66(3) in connection with convictions for contraventions of zoning by-laws.

Forced Compliance and Recovery

Another method of enforcement is provided by section 325 of the Municipal Act, which stipulates that where council has the authority to direct or require that something be done, and it is not being done by the person directed, then council may undertake the action itself. The municipality may recover the expense involved by action or by assessing the lands in question with the cost.

ACTIONS AGAINST THE MUNICIPALITY

Having outlined the various methods by which council can enforce its by-laws, there are various methods by which citizens can take action against the municipality.

Ultra Vires

Under section 139 of the Municipal Act, a resident of the municipality or a person interested in a by-law of its council may apply to the Supreme Court to quash the by-law in whole or in part on the grounds that it is illegal. An application can also be brought under the Judicial Review Procedures Act to have a by-law declared invalid.

As a practical matter, it must be recognized that many councillors distinguish in their own minds between those matters which are illegal because they have not been authorized and those which are illegal because they are expressly forbidden by or contravene legislation. In the former cases, councils sometimes find themselves faced with a local need which they can respond to only by taking action for which they lack specific authority. They may be inclined to take such action, relying on the expectation that a satisfied public is unlikely to question its legality. From previous experiences, they may also expect the provincial government to acknowledge the need for such municipal authority by enacting legislation to validate the actions which have been undertaken. However, councillors should bear in mind that local need, no matter how compelling, cannot substitute for proper legal authority. If the courts are invoked in such a situation, they will quash the municipal action as *ultra vires* regardless of how well-intentioned it was.

Civil Action for Damages

As a corporation, the municipality may be sued as a result of failure to carry out or negligence in the conduct of its statutory duties. Damage to vehicles caused by poorly maintained roads, or a physical injury suffered from a fall on an icy sidewalk are two examples of instances that could produce a civil suit. It is important that councillors ensure that the municipality has adequate insurance to cover this type of civil action.

Given the generality of some of the complaints which may be brought against a municipality, however, both the legislature and the courts have imposed certain restrictions in order to protect the municipality from unreasonable litigation. For instance, use of a highway must be "lawful", and in one case a truck owner's suit against a municipality for improperly maintained roads was thrown out because his truck exceeded the statutorily prescribed width. Potential municipal liability for injury caused by snow or ice upon a sidewalk is limited by the Municipal Act (section 284(4)) to cases of "gross negligence".

Indictment under the Criminal Code

Individual councillors (or employees of the municipality) may be indicted under the Criminal Code for fraud or a breach of trust.

The municipality may also be indicted under the Criminal Code for committing a common nuisance and be subject to a fine, should any municipal action (or inaction) endanger the health, safety, comfort or property of any individual.

Appeals

Where specifically provided in the statutes, an individual may appeal municipal decisions to the courts and to certain quasi-judicial bodies such as the Ontario Municipal Board and the Assessment Review Board. Several examples arise in the planning field, with appeals from decisions of such bodies as committee of adjustment, land divisicn committee, and the council itself.

Judicial Review

This form of relief, examples of which have been given above, is limited to situations where a municipality (or local board) proposes to act or has acted without power or beyond its powers or has refused to exercise a power which is mandatory. In these circumstances, an individual may take action to bring the matter before the courts in pursuit of a legal remedy.

CONCLUSION

After even this brief summary of municipal law, the complexity of the subject is evident. However, a few suggestions for the new councillor – and indeed all councillors – in dealing with this topic may be of help.

1. Become sensitive to the legal limitations within which the municipality must operate, and the need for legal advice.
2. Do not expect municipal staff, however knowledgeable, to provide legal advice; this is the responsibility of the municipal solicitor.
3. Do not use the various legal limitations and complications as an excuse for inaction; rather, become more familiar with them so that you can work effectively within them in achieving the objectives which you have for your municipality. Instead of constant advice on what cannot be done, learn to seek out advice on how things can be done by the municipality.
4. Familiarize yourself with provincial legislation, particularly the Municipal Act and the Planning Act, as they relate to your municipality.
5. Review the by-laws of your municipality to become more familiar with your existing legislative authority.
6. Support the development or enhancement of a basic municipal library, relative to your needs, as outlined at the end of this section. Such materials may seem costly, but they are very inexpensive "preventive medicine" compared to the difficulties in which the municipality and its personnel can find themselves. Moreover, such a municipal law library can be acquired gradually.

7. Help to ensure that insurance coverage is obtained to protect both staff and councillors in the exercise of their duties. There is legislative authority for councils or boards to provide legal liability insurance or to reimburse the costs and expenses incurred by a member involved in a conflict of interest action if he/she is found not to have contravened the Act. This insurance primarily covers a situation where a municipal employee provides information to a member of the public who uses such information to the employee's subsequent detriment. Especially with the increase in litigation involving municipal governments, this insurance can also be considered an inexpensive form of preventive medicine.

8. Take care to formalize proceedings, where appropriate, and to document thoroughly and systematically the municipality's activities. To illustrate:
   - Be conscious of the duties which are assigned to staff, and ensure that job descriptions are comprehensive and regularly updated. Such actions are important in protecting municipal staff who may find it necessary to demonstrate that they were acting within the terms of their employment if a question of legal liability arises.
   - Encourage the preparation of more detailed records than have traditionally appeared – subject to the limitations imposed by the Municipal Act.

Notwithstanding the merit of these changes, it is also important that a municipality not lose the flexibility and quick response to situations which sets it off from other levels of government. It is a matter of striking a balance in these matters and building in adequate protection for the rights of the citizens and, therefore, protection for municipal personnel.

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No. 36 *The Provincial Legislative Process*
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STATUTE LAW

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Revised Statutes of Ontario (R.S.O.): compiled at the end of each decade, this consolidation of Public Acts is arranged alphabetically according to title with a comprehensive index in the final volume.

Ontario Statute Citator – updated four times a year, the citator is a cumulative record of any changes made in Ontario Statutes since the most recent Revised Statutes of Ontario, and also contains an index to regulations in force.

ADMINISTRATIVE LAW

Ontario Municipal Board Reports (Toronto, Carswell)

Municipal Planning and Law Reports (Toronto, Carswell)

Ontario Gazette: published every two weeks, the Gazette contains recently enacted regulations.

Revised Regulations of *Ontario* (R.R.O.): a consolidation of regulations published approximately every ten years.

III: THE FISCAL CONTEXT

INTRODUCTION

Since the 1970s it has been commonplace to speak of the financial constraints on local governments. Municipalities face greatly increased expenditure demands, largely due to urbanization. In order to meet these demands, local governments must manage their finances effectively. In particular, they must:

- have an effective cash management system;
- have an effective budgeting system; and
- conduct regular reviews of programs, services and delivery methods.

SOURCES OF MUNICIPAL REVENUE

Municipal revenues fall into the following categories:

- property taxes
- payments-in-lieu of taxes
- conditional and unconditional grants
- other revenues

Property Taxes

The property tax is the main source of revenue under the direct control of a municipality, and consists of two key components – a tax base and a tax rate.

Assessment (Tax Base)

The base for property taxation is the assessment roll. The Assessment Act authorizes the valuation of real property and outlines the procedures for making such valuations. It defines those classes and types of properties which are subject to taxation and those which, although assessed, are exempt from taxation. Authorization is also provided in some cases to municipal councils to exempt certain other properties from taxation. Further authorization to exempt taxes is given to municipalities under the Municipal Act and, for special circumstances, under private legislation. Assessment, the key to property taxation, has posed some difficulty. Before provincial takeover of the assessment function, differing local practices led to great variations in the assessment of similar properties within and between municipalities. In an attempt to provide some consistency, the Ontario Government developed *equalization factors* to convert local assessment figures to a more standard base. These factors are used in the determination of provincial transfers and the calculation of county and regional *apportionments* – that is, the distribution of county and regional financial requirements among the supporting lower-tier municipalities. However, local taxable assessment is still used for tax levying.

To eliminate these variations in assessment, the province took over the assessment function in 1970 with the intention of introducing *market value assessment*. A number of municipalities have already gone to full market assessment under section 70 of the Assessment Act which mandates uniform assessment across all property classes. Alternatively, municipalities have the option of requesting a re-assessment under section 63 of the Assessment Act. This section provides for a uniform reassessment of properties within each

class – residential, multi-residential, commercial and industrial. No change is made in the total assessed value of that class. To illustrate, consider the following:

> A residential class of property with a total assessed value of $25 million and a market value aggregate of $73.5 million might have individual properties assessed from 15% to 50% of market value. After Section 63 reassessment, the total assessed value for that class of property would still be $25 million, but all individual properties would now be consistently assessed at 34% of market value (34% of $73.5 million).

Section 63 of the Act has been used by more than half of all municipalities in Ontario.

Business properties are assessed for both business and property tax purposes. That is, the owner is assessed for the property and those who conduct business on the property are assessed at a statutorily determined percentage applied to the ordinary realty assessment. These percentages are set out in the Assessment Act, section 7.

Mill Rate (Tax Rate)

A mill rate is a tax rate applied to each dollar of taxable assessment to determine the amount of taxes to be paid. Expressed in simpler terms:

- 1 mill raises $1 on $1,000 of assessment.

There are five purposes for which mill rates may be required:

- general municipal
- upper tier (region, county or district municipality)
- elementary public school
- elementary separate school
- secondary school

For each of these purposes there are two mill rates: one applied to residential and farm assessment, the other to commercial, industrial and business assessment.

In addition, area rates or special charges (not usually applied to all assessed properties in the municipality) may be required.

Mill Rate Differential

For all purposes, including schools, the mill rate on residential and farm assessment is 85% of the rate on commercial assessment. This 15% differential is one of several measures designed to provide relief to the residential taxpayer.

For school purposes, the authority for this differential is contained in the Education Act, section 222 (1) and for all other purposes in the Ontario Unconditional Grants Act, section 7(3). The Education Act, section 222(3), further provides that a separate school board shall determine the rates to be levied for separate school purposes. This latter provision simply means that the separate school board tells the municipality what rates to levy on separate school assessment. However, the 85% provision referred to above still applies.

Levy For General Municipal Purposes

The amount to be raised through taxation is determined when the annual estimates are adopted by council. Estimated revenues from all sources other than property taxes, including any available surplus from the previous year, are deducted from estimated gross expenditures, and the balance is the amount to be levied. Similarly, any deficit from the previous year is added to gross expenditures for levy purposes.

The requirement to take any surplus or deficit into account is contained in the Municipal Act, section 164(2).

Levy For Region, County and School Purposes

The local municipality receives requisitions from the region or county (where applicable) and the school boards indicating the amounts to be raised by the municipality for these purposes. These amounts are adjusted by allocation of payments in lieu of taxes, grants, telephone and telegraph taxation, and any over-or under-levies from prior years to determine the amount to be levied by taxation.

Regardless of the amounts levied, the amounts required to be paid to the region or county and school boards by the municipality are the amounts requisitioned by these bodies. In addition, they are entitled to their share of any supplementary taxes levied during the year. Conversely, the local municipality can charge back their share of uncollectible taxes and adjustments arising from assessment appeals.

Allocations to Other Bodies

Telephone and telegraph taxation receipts, certain grants and most payments in lieu of taxes received by the municipality are shared with the school boards and/or region or county. The amounts to be shared and the method of calculating the sharing ratio varies with the type of payment received. The specific legislation governing the particular payment sets out in detail the procedure to be followed and should be checked when determining the allocations.

Since there are too many payments of this type to comment on them individually, please contact the local office of the field services branch of the Ministry of Municipal Affairs for guidance on the treatment of particular items.

Calculation of Mill Rates

The following example shows the calculation of mill rates for Municipality X which is in a county. The example is for General Municipal Purposes, but the same process would be repeated for each purpose.

Calculation of Mill Rates
Township of X

Taxable Assessment Residential and Farm	
– Public school support	$8,500,000
– Separate school support	500,000
	$9,000,000

Commercial and Industrial and Business

– Public school support	950,000
– Separate school support	50,000
	$1,000,000

Amounts to be raised

– General Municipal Purposes	500,000
– County Purposes	200,000
– Elementary Public School Purposes	400,000
– Secondary School Purposes	350,000

– Separate School Purposes – mill rates determined by the Board

Allocations	County	Public	Secondary
	$	$	$
Payments in lieu of taxes – Ontario Hydro	1,000	–	–
Telephone and telegraph taxation	4,000	8,000	6,500
Over (under) levies	(500)	30	200

General Municipal Purposes

Assessment		
Res. and Farm	85% x $9,000,000	$7,650,000
Comm. and Ind. and Business	100% x $1,000,000	1,000,000
		$8,650,000
Amount to be raised		$500,000

Mill Rate Calculations

Comm. and Ind. and Bus.	$\frac{500,000}{8,650,000} \times 1000$	57.80 mills
Res. and Farm	85% x 57.80	49.13 mills

Proof

Comm. and Ind. and Bus.	$1,000,000 x 57.80	$ 57,800
Res. and Farm	$9,000,000 x 49.13	442,170
		$499,970
Amount to be levied		500,000
Difference		$ (30)

Tax Billing

Each year the Assessment Division of the Ministry of Revenue provides every municipality with a copy of the assessment roll for taxation purposes in the following year. The roll lists each property separately and shows:

- the roll number for each property;
- assessed value for taxation purposes;

- type of assessment, i.e., residential, commercial, business, tax exempt, exempt but eligible for grant-in-lieu;
- school support, ie., public or separate;
- totals for each type of assessment by school support.

This roll is known as the "returned roll" and is subsequently amended to reflect adjustments arising from assessment appeals, omissions and errors. In cases where all revisions to the roll are not available when it is time to strike the mill rates, the returned roll is used and adjustments are made later.

The preparation of tax bills is the responsibility of the municipal tax collector, who uses information compiled on a collector's roll. The roll lists all real property and other assessments, the taxes levied against each parcel of real property and all special charges, frontage rates such as local improvement charges, and any other special rate. As required by the Municipal Act, the tax bill separates the elementary and secondary school levies and upper tier levies from the general local levy and other special rates. This process informs the taxpayer of the amount to be paid for these separate purposes. Alternately, according to section 380 of the Act, a council in a city, town, village or township may by by-law authorize the issuance of two separate tax notices, with one specifying only the amount of taxes payable for school purposes, although this practice is rare.

Among matters requiring council consideration for tax billing and collection purposes are:

- payment of taxes in one lump sum or in instalments;
- penalties for late payment of taxes;
- discounts for advance payments.

Many municipalities have adopted an instalment system. Instalment payments are convenient for taxpayers and at the same time provide the municipality with a steady cash flow and reduce the amount of temporary borrowing. A further reduction in borrowing is possible if the municipality introduces an interim levy even before adopting its annual budget. Whatever the method of payment, a thorough, systematic system of tax collection is important.

Tax Collection

Legislation provides the tax collector with several means of enforcing payment. Under sections 371 and 372 of the Municipal Act, for example, a municipality may direct a tenant to forward his/her rental cheques to the municipality, to be credited against the amount of taxes and other costs owed by the owner of the property.

The municipality may also use a bailiff to seize those goods and chattels available for seizure, or commence a civil action against the owner.

A further option is to dispose of the property through the provisions of the Municipal Tax Sales Act, 1984. However, the sale of a property for tax collection purposes is generally considered to be a last resort.

GOVERNMENT CONTRIBUTIONS

Grants and Subsidies

Grants and subsidies are contributions made by the provincial and federal governments to assist the municipality to meet costs incurred in supplying services to its residents.

At present, in excess of one hundred individual grant and subsidy programs are available from the Provincial Government through its ministries and agencies. The best source of information on grants and subsidies is the publication entitled *Provincial Financial Assistance to Municipalities, Boards and Commissions* prepared annually by the Ministry of Municipal Affairs and available through the Ontario Government Bookstore.

Conditional and Unconditional Grants

Grants may be designated as conditional when the payment is made on the stipulation that the funds are used for a specific program or service within the municipality. Unconditional grants are funds used to meet the cost of any budgeted current operating expenditure.

Provincial conditional grants account for approximately 68% of total provincial grants. Conditional grants are subject to eligibility criteria and spending conditions. The major conditional grants are for transportation, health, social services, environment, and culture and recreation.

Unconditional grants, which represent 32% of total provincial grants, are composed of the following:

- per household general grants;
- per household policing grants;
- per household density grants for qualifying municipalities based on ratio of residential households to total hectares;
- levy-based grants (general support, special support and resource equalization);
- special assistance and transitional grants;
- revenue guarantee grants.

The levy-based grants, introduced in 1973, include:

- The General Support Grant – which is a simple grant currently equal to 5.75% of the general municipal levy for both upper and lower tier municipalities.
- The Northern Ontario Special Support Grant – a grant currently equal to 17.25% of the general municipal levy, paid in addition to the General Support Grant in northern municipalities. This grant recognizes the unique costs that confront northern communities, attributable to harsh winters and unusual geographic features. It also attempts to reduce property taxes, on average, below the levels prevailing in the south to recognize that people in the north face generally higher costs of living.
- The Resource Equalization Grant – designed to strengthen the fiscal capacity of municipalities whose tax bases are below the provincial standard. This standard has been set to approximate the average equalized assessment per household.

Property Tax Credits

Property tax credits were first introduced in Ontario in 1972. The objective was to reduce the burden of municipal and school taxes on low and moderate income earners. Since 1980, the Ontario Government has also provided direct annual grants of up to $500 per household to offset municipal and school taxes and local improvement charges paid by those 65 years of age and over. Both programs apply whether properties are owned or rented. In addition, property tax relief is available for owners of managed forests and productive farm land under the Farm Tax Reduction Program.

Payments in Lieu of Taxes

Payments in lieu of taxes are designed to compensate municipalities for the cost of providing municipal services to properties exempted from taxation.

While all real property in a municipality is assessed, the Assessment Act exempts certain classes of property from taxation. The list below provides examples of those types of properties that are exempt.

Exempt Properties

- lands or property belonging to Canada and any province
- property occupied by churches or cemeteries
- property belonging to a county or municipality, or controlled by a local board or commission
- property held in trust for a band or body of Indians
- property owned by charitable and non-profit institutions
- public educational institutions and public hospitals

The amount of the payment in lieu of taxes is determined by a formula specific to the property type, and will not necessarily equal the tax foregone.

OTHER REVENUE SOURCES

In relation to the revenue produced from taxation and intergovernmental transfer payments, the revenue available to municipalities from other sources is less significant both in amount and in its relationship to the municipal budgeting and financing process. However, it is still important in the operation of the municipality.

Many municipalities have diversified and expanded their revenue systems in recent years in an attempt to reduce the strong dependence on municipal taxation as their major revenue source. The selection of allowable revenues should, however, be carefully examined to ensure that collection costs and potential administrative problems do not outweigh the possible benefits of additional revenues.

User Charges and Donations

The municipality may impose fees and service charges for specific services. Examples of some charges are tax certificate fees, sewer and water connection or user charges, recreational facilities charges (including refreshment booth, concession charges, arena entrance fees and ice rental), and various planning

and development charges. These charges are related to the cost of providing these services and directed to the users of the services.

Licences and Permits

Local governments have the right to prescribe, prohibit and regulate many activities of individuals and organizations in a municipality. The municipality may pass a by-law to undertake these rights and several sections in the Municipal Act contain the authority enabling a municipality to issue certain licences or permits. The list of occupations or trades that may be licensed and regulated is extensive and is outlined in the various sections of the Municipal Act under 'Licensing by-laws'. Some of the legislation provides for payment of a specified fee or establishes a maximum fee for licensing, while other licensing authority leaves the fee structure at the discretion of the municipality.

In addition to the licensing of trades and occupations, this category of revenues could also include revenues produced from the issuance of marriage licences, dog tags and several types of permits including building and plumbing permits.

The issuance of licences and permits is primarily a regulatory or control procedure. The revenue produced is of secondary importance. Even so it is advisable that wherever possible, the fee established be sufficient to recover the administrative cost involved in the issuance and controlling process.

Rents, Concessions and Franchises

This classification of revenue includes such items as rents charged for the use or occupancy of municipal properties, and the granting of concessions or franchises to operate or use municipal facilities or premises.

Fines

This source of revenue includes fines imposed for contravention of municipal by-laws, the Building Code Act, and various other acts. The most common types of fines are those paid for local parking or traffic by-law violations, and violations of building regulations.

Penalties and Interest on Taxes

Penalties are charged on taxes that are levied in the current year and remain unpaid after the date prescribed for payment. Taxes which remain unpaid beyond the end of the current year are called arrears and interest may be added to the balance outstanding. The rate of interest and penalties which may be charged are set by a council by-law within the limitations of the Municipal Interest and Discount Rates Act, 1982 or the Municipal Act.

Investment Income

Income is earned by a municipality through the investment of surplus funds as they become available. On many occasions during the course of the year, a municipality may have cash that can be invested until it is needed for expen-

diture requirements. These temporary surplus funds can occur through the collection of interim tax levies, receipt of grants or for other reasons. It is sound financial management to realize a good return on these monies through wise investment practices and to ensure that the funds do not remain idle.

It is the treasurer's responsibility to research and recommend the best investments within the limits set by statute and by council policy. Investments placed with financially weak organizations may result in the loss or reduction of anticipated interest and in some cases the loss of all or part of the principal invested.

Developer Charges and Lot Levies

Developers are subject to the terms and conditions of subdivision agreements and may assume the responsibility of providing or paying for municipal service installations that are required by new developments. Subdivision agreements are a prerequisite to ministerial or regional approval of a subdivision plan. Such charges are also often applied to lot severances which are approved by the appropriate consent-granting authority.

Installation by developers or equivalent cash charges are a means of protecting the existing municipal taxpayer from having to absorb the cost of servicing caused by a new development – typically a residential subdivision located on the outskirts of a rapidly growing city. When such an agreement enables the financing of municipal capital works to take place through private borrowing, it does not affect a municipality's borrowing capacity or tax rate. The developer in turn, recovers the costs through the housing sale price.

The range of services that are the responsibility of the developer to provide or pay for under a subdivision agreement can include such facilities as sanitary sewers, storm drainage, water mains, roads and related public works, parks and recreation facilities and the installation of hydro distribution cables (if required underground). When developers make cash payments in this regard, these are usually called capital imposts or lot levies.

NEED FOR FINANCIAL MANAGEMENT

The Budget Process

In governments, budgets should be powerful managerial tools as well as legal documents required for administrative purposes. Simply stated, budgeting may be described as a process by which resources are allocated to competing social demands. No other single document or process is as important to the municipality as the consolidated budget.

The three essential elements of budgeting are: planning, co-ordination and control.

Planning

Any level of government must have a plan if it is to achieve a proper balance between the level of service expected by its ratepayers and a reasonable level of taxation. Without a plan, it is far too easy to drift away from the real priorities as a result of internal and external pressure. Planning should begin

with the development of broad statements as to the needs of the municipality and what it hopes to accomplish for several years ahead. When informed about overall municipal goals, department heads can then prepare their plans, programs and expenditure requirements in conformity with and in the direction specified by these overall goals.

Planning demands that municipal services be identified and rated as to priority. At the time of submitting its budget, each department should submit an evaluation of its expenditure requirements stating:

- the specific service and amount on which expenditures will be made;
- the reasons for making the expenditure;
- the way in which the service conforms to the stated municipal goals.

It is then up to the elected officials to determine how to allocate limited resources to meet the demands of providing adequate services to the ratepayers.

Be Objective...

Setting policy and establishing goals and priorities should be done objectively. This is easier said than done for several reasons.

1. Political Environment
   - Individual councillors and department heads may have projects they wish to promote.
   - Citizen groups may lobby on various matters such as the environment, recreational facilities or roadway improvements.
2. Social Concerns
   - There may be a demand for more amenities such as parks, playgrounds, community centres and libraries.
   - Stricter building and safety standards may require more inspection staff.
   - There may be an increased need for health and welfare services.
3. Economic and Financial Situation
   - Inflation and higher interest rates may mean increased costs to maintain existing levels of service.
   - Limited revenue sources may restrict the availability of funds.

It is therefore of utmost importance to weight each of these factors against each other before making the final budgetary decisions.

Be Ruthless...

It is impossible to accommodate everyone's wishes, and a degree of ruthlessness is necessary to prepare a sound and effective budget. In particular, you should:

- Review existing services and operations to determine if they can be streamlined, improved or perhaps eliminated. Sometimes programmes, once established, are continued after their need has disappeared.
- Weed out unnecessary programs and expenditures. Naturally, each department will feel it should receive priority in determining essential programs, but trade-offs can usually be made.

- Carefully weigh requests from community groups asking for special consideration. Sometimes it is of benefit to the general community to grant certain requests even though the tangible effects cannot readily be measured.

Initially, there are bound to be arguments and objections over the establishment of priorities and the allocation of funds. However, if everyone involved makes an honest effort to objectively evaluate functions, programs and operations, progress can be made.

Co-ordination

Generally, a municipality should have a budget committee or a director of budgeting, or both. The purpose of such a budget committee is to co-ordinate the budgeting process. This committee would:

- produce and circulate an approved municipal statement of municipal goals to department heads;
- provide technical budgeting assistance to departments;
- evaluate individual budgets submitted to the committee;
- ensure that each department's budget is compatible with the budgets of each other department and with the municipality's goals.

Once all budgets have been submitted, the budget committee will accumulate the individual budgets into a single overall budget document for consideration by council. Should council feel that the budget does not correctly reflect its wishes, it will return the budget to the budget committee for revision. The committee will, in turn, return departmental budgets to each department requesting that the changes required by council be made. Revised budgets will be returned to the committee and then again to council. This process will continue until council receives a budget which conforms to its wishes.

Control

Once a budget has been approved by council, it is necessary to control activity to ensure that service is provided within the framework of the budget. In the municipal sphere, such control will best be attained by the use of allotment and by recording the budget in general ledger accounts followed by the use of regular (at least monthly) management reports. The preparation and examination of these periodic reports will disclose the degree to which departments' actual expenditures and revenues are conforming to the budget provisions, enabling areas of over-expenditure to be identified before serious difficulties have time to develop. When an over or under-expenditure is identified, the department responsible should be called upon to explain the difference between actual and budgeted figures.

In emphasizing the need for control, it should not be inferred that budgets, once adopted, cannot be changed. A budget reflects a plan of action based on assumed circumstances. If circumstances change, budgets should be changed accordingly. However, budgets should not be changed without documentation of reasons for requesting the change and each change should be recommended by the budget committee and approved by council.

Advantages of Budgeting

In summary, effective use of the budgeting process provides the following advantages:

- Management and council are forced to make an examination of services provided to the citizens, available resources, problem areas, and alternative means of providing services.
- The budget process utilizes the combined intelligence of the whole municipal organization. Problem areas are examined by the entire management group. Conflicting objectives are scrutinized and collectively assigned priorities.
- Municipal resources can be allocated to attain optimum service for the residents and ratepayers.
- Budgeting ensures that there is a periodic re-evaluation of municipal services. The necessity of the service and the level of the service offered are evaluated.

The Current Budget

After priorities have been established and spending limits assigned, detailed estimates should be prepared for each function and activity listing wages, salaries, fringe benefits, materials and supplies, financial expenses and so on. A list of estimated revenues by source should also be prepared. Any available surplus or deficit from prior years must be included and taken into account in determining the amount to be levied as a mill rate (see the Municipal Act, section 164).

The detailed breakdown of accounts in the estimates should conform as far as possible to the chart of accounts adopted by the municipality. This approach has several advantages:

- specific expenditures are approved by specific accounts;
- responsibility is easily determined;
- budgetary control is more effective;
- there is no misunderstanding about allocation of funds;
- in-year and year-end reports can be prepared with a minimum of effort and analysis;
- budget calendarization and cash flow estimates are easier to prepare.

The mill rates should be calculated and compared with those of the previous year. This will give council an indication of the effect of the estimates on the ratepayers.

The Capital Budget

The general comments made above apply equally to current operating and to capital budgets. A capital expenditure is defined as any significant expenditure incurred to acquire or improve land, buildings, engineering structures, machinery and equipment used in providing municipal services. It includes vehicles, office furniture and equipment. This expenditure normally confers benefit lasting beyond one year and results in the acquisition of, or extends the life of, a fixed asset.

A municipal capital works program normally extends over a five-year period, enabling municipal officials to make major spending decisions well in advance of actual requirements. Typically, those projects scheduled to begin in the first year of the program become the municipality's capital budget for that year.

Financing can be done by one or a combination of the following methods:

- current revenues
- government grants and subsidies
- reserves or reserve funds
- public donations
- debenture issues
- long-term bank loans
- capital levy

The method used will depend on such factors as type of project, estimated costs, timing of start and completion dates, existing commitments and the financial capability of the municipality.

Because of their magnitude, capital expenditures normally result in a dramatic increase in the mill rate if paid for in one year. It may be considered fairer to spread the cost of a long-term asset over a period of years so that those who will subsequently benefit will also share in the cost. This is usually accomplished through the issuance of debentures or other forms of long-term borrowing. This financing is subject to the approval of the Ontario Municipal Board, which authorizes long-term borrowing (any indebtedness extending beyond the term of the present council). Even in cases where it is intended that the cost of a capital project will be met within the term of council, it is still advisable to obtain O.M.B. approval, just in case.

Depending on the prevailing interest rate and the municipality's credit rating in the bond market, the debenture approach could result in heavy carrying costs which would add greatly to the financial price of the capital item. This has led a number of municipalities to shift to a pay-as-you-go policy where all or certain specified capital expenditures are paid from current revenue.

The type of financing each municipality chooses will ultimately depend on local circumstances. As a general rule, the best policy is to examine a range of financing options when any capital expenditure is contemplated.

Budgets of Local Boards

Unless specifically designated by statute, local boards are not autonomous bodies, but are under the control of council. Local boards must submit their budgets to council for approval, and all financial transactions should be routed through the municipal treasurer. Revenues must be deposited in an account in the name of, and controlled by, the municipality. Payment of expenditures must be authorized by council and cheques are issued and signed by the municipal treasurer.

It is important, therefore, that the budgets of local boards under the jurisdiction of council be prepared in sufficient detail for effective review. The municipal treasurer should prescribe the format the local boards should use to

ensure uniformity and consistency in the preparation of the estimates. The total budget for the municipality should include the estimated revenues and expenditures of all local boards shown under the appropriate function.

THE MUNICIPAL AUDITOR AND THE AUDIT FUNCTION

All municipal auditors must have a municipal auditor's licence obtained from the Ministry of Municipal Affairs. The majority of municipal auditors are chartered accountants in public practice. Their independence and professional standards are enforced by the Institute of Chartered Accountants of Ontario and the Public Accountants Council.

Section 88 of the Municipal Act states that a municipality shall by by-law appoint one or more auditors licensed by the ministry as municipal auditors, who shall hold office during good behaviour and be removable 'for cause'.

Once appointed, the auditor of a municipality automatically becomes the auditor of that municipality's local boards and also the auditor of any joint board for which the municipality is liable for a larger portion of the operating costs than any other municipality (except boards of educations and separate school boards).

The duty of a municipal auditor is to report to the council, inhabitants and ratepayers whether the financial statements present fairly the financial position of the corporation and the results of its operations for the period under review in accordance with generally accepted accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding period. In conducting an audit, the auditor has to comply with generally accepted auditing standards as outlined in section 5100 of the *Canadian Institute of Chartered Accountants Handbook.*

In satisfying themselves about the accuracy and fairness of the accounts, auditors must examine a random sample of the supporting financial documentation such as vouchers and requisitions. An audit is *not* designed to detect fraud and other irregularities. The best defence against fraud is a strong, comprehensive system of internal control.

Auditor's Services

Since there is often considerable confusion as to the types of services provided by the auditor, and the extent of the services which the auditor has agreed to provide, it is advisable to have an engagement letter. Like any other contractual agreement, because it is in written form, there is less chance of a misunderstanding. The engagement letter could cover, for example, the auditor's fees for his services, auditing and otherwise, and specify that the auditor will review, test and evaluate the system of internal control.

The services most often provided by the municipal auditor include bookkeeping and accounting, along with auditing. Since the level of costs for each of these three services is significantly different from the other, it is extremely important to clearly determine which functions and specific tasks are to be delegated to the auditor.

Other services that can be provided by auditors include the preparation of annual financial statements and the evaluation and installation of computer systems.

Reporting Standards

Municipal reporting standards include the following:

- The scope of the auditor's examination should be referred to in the report.
- The report should contain either an expression of opinion on the financial statements or an assertion that an opinion cannot be expressed. In the latter case, the reasons should be stated.
- Where an opinion is expressed, it should indicate whether the financial statements present fairly the financial position, results of operations and changes in financial position in accordance with an appropriate disclosed basis of accounting, which except in special circumstances should be generally accepted accounting principles. The report should provide an adequate explanation with respect to any reservation contained in such opinion.
- Where an opinion is expressed, the report should also indicate whether the application of the disclosed basis of accounting is consistent with that of the preceding period. Where the basis or its application is not consistent, the report should provide adequate explanation of the nature and effect of the inconsistency.

The Audit Committee

An audit committee, consisting of several members of council, the treasurer, and the chief administrative officer (if applicable), should meet with the auditor to cover the following matters:

- review the Consolidated Financial Report and reporting issues before submission to the Council;
- discuss audit firm personnel responsible for carrying out the audit;
- discuss any matter which the auditors wish to bring to the committee's attention;
- review the steps management has taken to eliminate potentially serious weaknesses in internal control (systems and procedures);
- review the scope and findings of the audit;
- make general inquiries of management representatives and the auditors to obtain more information about financial aspects of the municipality.

It may be of benefit to co-opt a prestigious outsider who lives in the municipality as an advisor on the audit committee.

Submission of Reports

The auditor must report to the council, inhabitants, and ratepayers on the financial statements of the municipality. With respect to control weaknesses in the municipality, the auditor should:

- report routine matters to the treasurer;
- report more important matters to council in the form of a management letter. A copy of all reports to council should be sent by the municipality to the Ministry of Municipal Affairs. The auditor has a responsibility to ensure reports to council are in fact presented to council;
- where fraud, control weaknesses, irregularities or abuses of office affect the auditor's opinion on the fairness of the financial statements, the report should be given to the inhabitants and ratepayers.

Financial Reporting to the Public

Section 85(1) of the Municipal Act requires each municipality to publish in a newspaper with a general circulation in the municipality, or to mail or deliver to each ratepayer, a copy of the Audited Financial Statements and the Auditor's Report for the preceding year. However, since 1978 municipalities have been given the discretion, beyond certain minimum disclosure requirements, to determine the format and content of the financial report submitted to their inhabitants.

Annual Financial Reports

At the end of each year, Financial Information Returns and Financial Reports must be prepared by each Ontario municipality.

Financial Information Return (FIR)

The FIR provides municipal financial information on a consistent basis for the determination of the municipality's unconditional grant requirement and for use in the development of provincial policy with respect to local government.

Each municipality is required to file its FIR with the Province by April 30 of the year following that for which it is filed. The forms required for the FIR are prescribed and provided by the Ministry of Municipal Affairs. Detailed instructions for their completion, as well as advice and assistance, are readily available from the ministry.

Financial Report (FR)

The FR is the annual audited financial report for the municipality. It must also be filed with the province by April 30 of the year following that for which it is filed.

For more information on the accounting and disclosure requirements related to the preparation of financial statements in Ontario, you may wish to consult the *Municipal Financial Reporting Handbook* (1983).

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Municipal Financial Reporting Handbook Toronto, January 1983.
Sick Leave Credit Plans under the Municipal Act. Toronto, June 1983.
Municipal Operating Budgets. Toronto, January 1984.
Managing Capital Spending. Toronto, January 1984.
Provincial Financial Assistance to Municipalities, Boards and Commissions. Toronto, annual.
Local Government Finance in Ontario. Toronto, annual.
Ontario Assistance to Local Governments. Toronto, annual.

Administrative Bulletins:

No. 50 *Issues in Capital Decision-Making*
No. 54 *The Municipal Tax Sales Act, 1984*

Richmond, Dale, "Guidelines for the Management of Debt". Municipality of Metropolitan Toronto, Chief Administrative Officer's Department, June 1978.

Tindal, C.R. *You and Your Local Government*. Toronto: Ontario Municipal Management Development Board, 1982.

Tindal C.R. and S. Nobes Tindal, *Local Government in Canada*. Toronto: McGraw-Hill Ryerson, 1984, Chapter Ten.

Considerable specific information may be available within your municipality in the form of budget manuals and handbooks, financial procedure by-laws and various other documents, and the treasurer should be able to offer some suggestions in this connection.

IV: THE CONSTITUTIONAL SETTING

INTRODUCTION

The types of municipal governments in Ontario are numerous and varied. They include 839 municipalities divided into at least nine categories. Municipal government includes townships, villages, towns, separated towns, cities, counties, Metropolitan Toronto, regions, the District Municipality of Muskoka, and improvement districts and police villages. In addition, there are well over 2,000 other local governing bodies, most commonly called boards and commissions. More than 70 types of boards and commissions have been identified by a number of studies. The primary difference between municipal council and other local bodies is that only councils can legislate or make law.

Two-thirds of Ontario's population is contained in its 49 cities and one borough, while 478 townships contain a total of 16% of its population. Townships, villages and towns comprise almost 90% of all municipalities; yet they contain one-third of the population. Areas of the province without municipal organization are referred to as 'unorganized territories'. The Ministry of Northern Affairs assists the inhabitants of these areas in establishing local service boards to administer basic community services. The Municipal Directory, published by the Provincial Municipal Affairs Secretariat, Ministry of Municipal Affairs, provides a good definition of the types of municipalities. This directory is an invaluable reference tool for all councillors and municipal staff.

The day-to-day activities of a municipal councillor will often necessitate working with local boards and commissions, other municipalities and levels of government, and various municipally-based associations. Because of the importance of these bodies to the smooth functioning of local government, their roles and linkages to municipalities are briefly outlined on the following pages.

MUNICIPAL GOVERNMENT

Local Special Purpose Bodies

There is a wide variety of special purpose bodies, usually referred to as boards and commissions. Probably the best known example is the school board. Other familiar bodies at the local level include public utilities commissions, health units, community centre boards, conservation authorities, police commissions, library boards and land division committees.

Historically, the area of jurisdiction of most boards was confined to one municipality, or even a smaller area within the municipality. Increasingly, however, boards have been established which have jurisdiction over several municipalities or even counties.

(The conservation authority is a good example of an intermunicipal board. Since it has jurisdiction over one or more complete watersheds, it usually contains a large number of municipalities and extends over parts of two or more counties or regions.)

In southern Ontario, health units and boards of education may provide services in all municipalities within a county or region, or in some instances, even two counties.

Characteristics of Local Boards

Local boards have the following similar characteristics:

- they are public bodies whose membership is elected (in the case of school boards and some hydro-electric and public utilities commissions) or appointed, often jointly, by municipal council, the Province of Ontario or other special purpose bodies;
- they operate at the local or county or regional level, but outside the municipality's departmental structure;
- they have a single function or a relatively limited range of functions (hence the name 'special purpose');
- their revenue sources may include municipal government, the provincial government and in some cases user charges.

While alike in several ways, boards and commissions can be distinguished according to their statutory basis, the nature of their responsibilities and the extent of their independence from municipal councils.

Mandatory Boards

Most boards are established by authority of a provincial statute and their structure and responsibilities are governed by the terms of that statute. For example, in municipalities that have adopted the Public Parks Act, the general management and control of the parks rests with a Board of Park Management provided for in section 3 of the Act.

Within the category of statutory boards are a number which are also mandatory. The statutes not only provide for their organization and responsibilities, but stipulate that they must exist, or be established under certain conditions. It is these statutory, mandatory boards which are often beyond the control of council. The most notable example is the school board. It has existed as a separate authority since the early 1800s, actually pre-dating the provision for municipalities. It is completely independent of council and has its own elected governing body of trustees. This autonomy is underlined by the financial relationship between the two. Municipalities essentially act as a tax-collecting agent for the school board and exercise no discretion as to the sum of money collected or how it is spent. Other examples of mandatory boards include boards of health in some municipalities and police commissions in municipalities with populations of not less than 15,000.

Optional Boards

Non-statutory boards by their very nature are optional. At its own discretion, a municipal council may establish various other boards, such as Community Centre Boards. However, there are a number of statutory boards that are also optional, although their organization and function are dictated by statutes. The best example of this is a Museum Board.

Council-Board Relations

The most important feature of boards as they relate to municipal councils is the extent to which they are independent of council in their existence and operations. As the preceding examples have made clear, it is almost impossible to generalize about these relationships. Those boards which are purely advisory and those which exist entirely at the discretion of council should not be a source of difficulty. If problems do arise in the council-board relationship, the council has the authority to resolve them, even by abolishing the board if necessary.

On the other hand, there are a number of boards which exercise important responsibilities, claim substantial portions of local revenues, exercise their jurisdiction over large geographic areas, and operate quite independently of council. Boards of education, health units and conservation authorities illustrate this type of board. Given the extent to which boards are utilized in Ontario, it is important that councillors develop a close and effective working relationship with them. In some instances, this may mean exercising more thoroughly the authority of council.

- In those cases where council has the right to approve and/or receive financial information from a board for which it is required to provide money, council can exercise its right to obtain early and complete financial information. (This does not apply to boards of education, for whom municipalities collect taxes.)
- In those cases where council appoints the members of a board, council can exercise with great care its power to appoint those members. These appointments can provide much needed liaison with and direction to the board. Attention should be given to the selection of individuals who can fulfill this role effectively.

Even if the council does not have complete control over finances or personnel, there is still much to be gained from convening joint meetings to improve communications and mutual understanding. It is suggested that joint meetings be held at intervals throughout the year in an effort to develop the closest possible co-operation among the various local agencies in the municipality.

It should be noted that when a Board of Management is established by a municipality or municipalities under sections 208(5) or 210(24) of the Municipal Act, responsibility for financial and other operations of the Board rests with the municipality or municipalities involved. The Board cannot be financially independent from the municipality and must use municipal accounts and reserves.

Municipal Boundary Changes

In certain instances, a problem confronting a municipality cannot be resolved within the historical boundaries set for that municipality. In such situations, a municipality may perceive the need to change its jurisdictional boundaries. Most municipal boundaries were set long ago – in some cases not even for governmental purposes – and they often bear little relation to the population patterns and interactions of today.

When the need for a boundary change is identified, the provisions of the Municipal Boundary Negotiations Act, 1981 usually come into play. (Exceptions are boundary changes involving unorganized territory and major changes in restructured municipalities.)

The main steps in the process as set out in the Act are as follows:

- A municipality may, by by-law, apply to the Minister of Municipal Affairs to initiate procedures under the Act.
- The minister may determine and inquire into the issues, and determine party municipalities (those with a substantial interest in the matter) and report to the affected municipalities.
- If the report discloses that agreement has been reached between the party municipalities, the Government of Ontario may implement the agreement by order-in-council or, in certain circumstances, through legislation.
- If agreement is not reached, the minister may direct the party municipalities to appoint members to a negotiating committee. A chief negotiator is appointed by the minister to chair the committee and to report its results to the minister and party municipalities.
- After receiving the report from the negotiating committee, and allowing time for public meetings and municipal council consideration, the minister has several options. If the councils ratify the agreement, then the minister can recommend implementation to Cabinet. If they do not ratify the agreement, then the minister may refer issues back for further negotiations, or refer issues to an Issues Review Panel for advice, or to the Ontario Municipal Board for a hearing and recommendations, or take other appropriate action.

Municipal Associations

In Ontario, there have been mixed experiences with municipal-provincial consultation. One complication had been the number of separate municipal associations and the differences of opinion on many local issues. Often it has been difficult to reconcile the views and concerns of the large urban municipalities which comprise the bulk of Ontario's population and those of the small rural municipalities which account for the majority of all municipal units.

To strengthen the inter-municipal communication and to best deal with the issues and concerns of government throughout Ontario, the Association of Municipalities of Ontario (AMO) was established in August 1981 through the amalgamation of four municipal organizations. AMO is a non-partisan organization that promotes the value and status of municipal government as a vital and essential component of the intergovernmental framework of Ontario and Canada. It acts as a municipal government collective and through a co-ordinated and co-operative effort is organized to provide a strong voice for the municipal majority.

Of the 839 municipalities in Ontario, over 600 are members of AMO. Eighty municipally elected and appointed officials comprise the governing body. Due to its diversity, this body brings to bear a broad spectrum of municipal government interests.

AMO has strong links with other municipal associations which not only form part of its structure, but play a vital role in forming the Board of Directors and influencing policy and program development. These include:

Association Sections

- County and Regional Section
- Large Urban Section
- Northern Ontario Section – consisting of the executive committees of:
  - The Federation of Northern Ontario Municipalities (FONOM)
  - The Northwestern Ontario Municipal Association (NOMA)
- Rural Section
- Small Urban Section

Association Affiliates

- Association of Municipal Clerks and Treasurers of Ontario (AMCTO)
- Association of Municipal Tax Collectors of Ontario
- Municipal Engineers' Association
- Ontario Municipal Administrators' Association
- Ontario Municipal Personnel Association
- Ontario Municipal Social Services Association
- Society of Directors of Municipal Recreation of Ontario

The *Municipal Directory* contains the contact name and telephone number for most municipal associations should you wish further information.

GOVERNMENT OF ONTARIO

Ministry of Municipal Affairs

Originally established as the Department of Municipal Affairs in 1935, this ministry has undergone a number of reorganizational and name changes. The Ministry of Municipal Affairs currently has two program divisions, the Municipal Affairs Division and the Community Planning Division.

The Municipal Affairs Division is responsible for issues related to municipal finance, local government organization, provincial-municipal liaison and municipal support. In addition, the ministry is responsible for policy and program functions, structure, procedures and the legislative authority of municipalities. These responsibilities are managed through the following branches:

- Local Government Organization Branch
- Municipal Finance Branch
- Provincial-Municipal Affairs Secretariat
- Subsidies Branch
- Municipal Management Policy Branch
- Municipal Boundaries Branch
- Field Services Branch

The Field Services Branch operates a network of ten offices throughout Ontario to provide advice to municipalities. Field offices are located in Thunder Bay, Sudbury, North Bay, Ottawa, Kingston, Oshawa, Orillia, Cambridge, Guelph and London with a head office staff in Toronto.

Staff members of the field offices have the first-line responsibility to assist municipalities in complying with recognized municipal practices and maintaining good management and financial stability. When necessary, the field office staff provide on-site consultation.

The Community Planning Division of the ministry encourages effective land-use planning to help communities develop within sound planning frameworks consistent with provincial policies. Advice and approval of such documents as official plans and, in some areas of the province, plans of subdivision fall within this division's jurisdiction. The branches which manage this function include:

- Local Planning Policy Branch
- Plans Administration Branches (Central and Southwest; North and East)
- Community Renewal Branch
- Research and Special Projects Branch
- Community Planning Advisory Branch

Community Planning Branch has five field offices across the province. Field offices are located in Sudbury, Thunder Bay, Ottawa, London and Willowdale. Field office staff provide information and education, ongoing planning advice, preliminary reviews of local planning documents and advice on tentative development proposals, financial assistance, technical assistance for planning studies and for selection of planning consultants, and assistance in establishing or altering planning areas.

In total, there are fifteen ministries that deal with municipalities in Ontario, a large number of which have field offices. For information on all ministries and their branches, consult the *Kwik Index* and the *Government of Ontario Telephone Directory*.

REFERENCES

SECTION IV

Ministry of Government Services, annual publications:

- *KWIK Index*
- *Government of Ontario Telephone Directory*
- *Ministerial Responsibility for Acts*

Ministry of Municipal Affairs, Administrative Bulletins:

No.4 *Council Agenda and Minutes*
No.11 *Procedure By-Law*
No.14 *The Head of Council*
No.16 *Municipal Staff Reports*
No.17 *Council Committees*

Municipal Directory, published annually.
This directory provides a glossary; an alphabetic listing of municipalities by region, county and district including telephone number, address, population, head of council and senior staff; statistical summaries on population and household by upper and lower tier municipalities; and lists of Members of the Legislative Assembly, provincial ministries and various municipal boards and associations.

Tindal, C.R. *You and Your Local Government*. Toronto: Ontario Municipal Management Development Board, 1982.

Tindal, C.R. and S.N. Tindal. *Local Government in Canada*. 2nd ed. Toronto: McGraw – Hill Ryerson, 1984.

Your municipality may have various documents which provide valuable reading material such as:

- A Procedural by-law
- By-laws appointing the CAO and Senior Staff
- A Municipal Organization Chart

V: CONCLUSION

This manual has attempted very briefly to provide the municipal councillor with an overview of the many duties and challenges a councillor can expect to face. Of course, the manual is no substitute for on-the-job training, but you may wish to keep it handy for use as a quick source of information. For more detailed information on any aspect of your duties, you can consult the reference sources listed at the end of each section, or call the nearest Ministry of Municipal Affairs Field Office. (A list of addressess and telephone numbers is provided in Appendix C.)

One more thing: Good Luck!

APPENDIX A

MUNICIPAL AFFAIRS PUBLICATIONS

Following is a list of publications available from the Ministry of Municipal Affairs:

Administration

1 Withdrawn From Circulation
2 Withdrawn From Circulation
3 Withdrawn From Circulation
4 Council Agenda and Minutes – Committee Agenda and Reports ($1)
5 An Alphabetic Filing System Suitable for a Small Municipality ($1)
6 Bargaining Information ($1)
7 Drafting Municipal By-laws ($1)
8 Municipal Insurance ($1)
9 The Municipality and the Law ($1)
10 Labour Relations – The Organizing Process ($1)
11 Procedure By-law ($1)
12 Dismissal ($1)
13 Labour Relations – Components of a Collective Agreement ($1)
14 The Head of Council ($1)
15 Withdrawn From Circulation
16 Municipal Staff Reports ($1)
17 Council Committees ($1)
18 Liability Protection ($1)
19 Summary of 1978 Legislation Respecting Remuneration and Expenses ($1)
20 Microrecording ($1)
21 Holidays and Time Calculations ($1)
22 Minicomputers ($1)
23 Training Opportunities for Staff in Small Municipalities ($1)
24 Animal Control ($1)
25 Purchasing in Small Municipalities ($1)
26 Recruiting – I. Planning the Process ($1)
27 Recruiting – II. The Right Person for the Job ($1)
28 Recruiting – III. Advertising ($1)
29 Recruiting – IV. The Interview ($1)
30 The Interpretation Act ($1)
31 The Statutory Powers Procedure Act, 1971 ($1)
32 Highlights of The Line Fences Act, 1979 ($1)
33 Information Gathering Services and Techniques ($1)
34 Word Processing ($1)
35 Job Descriptions: Make Them Simple and Useful ($1)
36 The Provincial Legislative Process ($1)
37 Municipal Real Estate – Inventory ($1)
38 Designing a Pay Plan for Office Staff in Small Municipalities ($1)
39 Administering The Pay Structure ($1)
40 Energy Conservation in Ontario Municipalities ($1)
41 Withdrawn From Circulation
42 A Guide to The Employment Standards Act ($1)
43 Job Evaluation ($1)
44 The Provincial Offences Act, ($1)

45 Good Fences Make Good Neighbours – Administrative Practices and Procedures Related to Line Fences ($1)

46 Records-Retention By-Laws ($1)

47 By-law Enforcement – An Administrative View (1)

48 Amendments to the Municipal Elections Act ($1)

49 The Municipal Conflict of Interest Act, 1983 ($1)

50 Issues in Capital Decision-Making ($1)

51 Keeping the Public Informed ($1)

52 Affirmative Action ($1)

53 Municipal Tendering: Common Practices ($1)

54 The Municipal Tax Sales Act, 1984 ($1)

55 Amendments to the Municipal Elections Act ($1)

Financial Procedures

F.1 Cash Management in Municipalities ($1)

F.2 Bank Reconciliation Procedures for Municipalities ($1)

F.3 Municipal Investments ($1)

F.4 Zero-Base Budgeting ($1)

F.5 Reserves, Reserve Funds, Allowances and Other Special Funds ($1)

F.6 Property Taxation – Billing and Collection ($1)

F.7 Calendarized Budgets ($1)

F.8 Fixed Asset Record Keeping ($1)

Prices subject to change without notice.

Personal purchase:

The Ontario Government Bookstore, 880 Bay Street, Toronto, M5S 1Z8 (9:00 a.m. – 5:00 p.m., Monday to Friday.)

Mail orders:

Publications Services Section, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. (Telephone: 965-6015).
Toll-free long-distance 1-800-268-7540
Persons calling from area code 807 should dial 0-Zenith 67200.
(Please make cheques payable to the Treasurer of Ontario.)

APPENDIX B

MUNICIPAL ASSOCIATIONS IN ONTARIO

NAME	ADDRESS
Association of Municipalities of Ontario	Suite 805 100 University Ave. Toronto M5J 1V6 Executive Director: M. Dunbar (416) 593-1441
County and Regional Section Large Urban Section Northern Ontario Section Rural Section Small Urban Section	
(Northern Ontario Section):	
Federation of Northern Ontario Municipalities	Box 430, Val Caron POM 3A0 Secetary-Treasurer: M. Brazeau (705) 897-4938
Northwestern Ontario Municipal Association	500 E. Donald Street Thunder Bay P7E 5V3 Secretary-Treasurer: J.A. MacDonald (807) 623-2711
Other Associations	
District Of Algoma Municipal Association	P. O. Box 228, Echo Bay Secretary-Treasurer: Mrs. B. Alton (705) 248-2441
District of Parry Sound Municipal Association	Box 345, Burk's Falls POA 1C0 Secretary: N. Mason (705) 382-3318
Kenora District Municipal Association	30 Van Horne Avenue Dryden P8N 2A7 Secretary-Treasurer: J. Callan (807) 223-2225
Timiskaming Municipal Association	Box 280, Earlton P0J 1E0 Secretary: Mrs. D. Houston (705) 563-2918

Northeastern Ontario Municipal Association	c/o City of Timmins 220 Algonquin Blvd. E., Timmins P4N 1B3 Secretary-Treasurer: Mr. R. J. Jack Watson (705) 264-1331
Municipal Union of the District of Rainy River	Box 352, Rainy River Secretary-Treasurer: Mrs. D. Bowman (807) 852-3244
West Nipissing Municipal Association	Box 16, Field POH 1M0 Secretary: R. Courchesne (705) 758-6659
Manitoulin Municipal Association	c/o Twp. of Howland Sheguiandah P0P 1W0 Secretary-Treasurer: B. Heise (705) 368-2009
Thunder Bay District Municipal League	c/o Twp. of Oliver Murillo P0T 2G0 Secretary-Treasurer: Mrs. J. C. Ross (807) 935-2613

APPENDIX C

MINISTRY OF MUNICIPAL AFFAIRS

FIELD OFFICES

CAMBRIDGE
150 Main Street
Cambridge, Ontario
N1R 6P9
(519) 622-1500

GUELPH
147 Wyndham St. N.
Guelph, Ontario
N1H 4E9
(519) 836-2531

LONDON
495 Richmond St.
London, Ontario
N6A 5A9
(519) 438-7255

NORTH BAY
347 Sherbrooke Street
North Bay, Ontario
P1B 2C1
(705) 476-4300

ORILLIA
15B Matchedash St. N.
Orillia, Ontario
L3V 4T4
(705) 325-6144

TORONTO
11th Floor
777 Bay Street
Toronto, Ontario
M5G 2E5
(416) 585-7201

OSHAWA
74 Simcoe St. S.
Oshawa, Ontario
L1H 4G6
(416) 571-1515

KINGSTON
1055 Princess St.
K7L 3T3
(613) 547-2203

OTTAWA
244 Rideau St.
Ottawa, Ontario
K1N 5Y3
(613) 566-3711

SUDBURY
430 Notre Dame Avenue
2nd Floord
Sudbury, Ontario
P3E 5K7

THUNDER BAY
435 James St. S.
P.O. Box 5000
Thunder Bay, Ontario
P7C 5G6
(807) 475-1621

Any questions or comments regarding the contents of this publication may be addressed to the Ministry at the above Toronto address and telephone number.

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